Daily Report

Latin America

FBIS-LAT-92-019
Wednesday
29 January 1992

Daily Report
Latin America

FBIS-LAT-92-019 29 January 1992

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Commentary Criticizes U.S. Policies on Island *[Havana Radio]* 1
Vice President Fernandez Arrives in Syria *[Havana Radio]* 2
Ricardo Cabrisas Meets With DPRK President *[Havana Radio]* 2
Students Stage Support Rally at Moscow Embassy *[Havana TV]* 2
Ecuadoran Legislators Meet With ANPP President *[Havana TV]* 2
Cultural Cooperation Agreement Signed With Angola *[Havana TV]* 2
Sports Agreement Signed With Venezuela 28 Jan *[Havana Radio]* 2
Dissident Denies Opposition Party 'Hatching' *[Mexico City NOTIMEX]* 2
Further on Lage's Remarks on Economic Situation *[Havana Radio]* 3
Castro Tours Multiple Crop Enterprise in Havana *[Havana Radio]* 4
Holguin Province Uses 23,700 Oxen in Agriculture *[Havana Radio]* 4

Inter-Caribbean Affairs

Rights Group Sends Cable to Cuban Government *[CANA]* 4

Haiti

OAS Condemns 25 Jan Attack, Calls For Inquiry *[Bonaire Radio]* 5
CONACOM Condemns Attack *[Port-au-Prince Radio]* 5
FNCD Denounces Attack *[Port-au-Prince Radio]* 5
Witnesses Provide Details *[LE NOUVELLISTE 27 Jan]* 5
Government Appoints Tripartite Commission Members *[Port-au-Prince Radio]* 5

St. Vincent and the Grenadines

Prime Minister Mitchell Creates New Ministries *[CANA]* 6

MEXICO

Senate Supports Part of Trade Agreement Agenda *[Mexico City TV]* 7
Salinas Signs Decrees Reforming Constitution *[Mexico City Radio]* 7

CENTRAL AMERICA

El Salvador

ARENA's D'Aubuisson Reportedly Near Death *[San Salvador TV]* 8
FMLN Announces Dissolution of General Command *[San Salvador Radio]* 8
FMLN Commentary on 'Positive Signs for Peace' *[Radio Farabundo Marti]* 8
Copaz Subcommissions To Promote Agreements *[Panama City ACAN]* 9

Honduras

Callejas Delivers Speech to National Congress *[LA TRIBUNA 27 Jan]* 9

Nicaragua

Rebel Commander Ruiz Meets With U.S. Officials *[BARRICADA 27 Jan]* 12
Recompa Chief, 4 Policemen Killed in Attack *[Managua Radio]* 13
FSLN Communique Condemns Killings by Recontras *[Managua Radio]* 14

Attorney General Announces Restructuring Plan *[Managua TV]* 14
Commentary Warns Against Military Domination *[LA PRENSA 25 Jan]* 15

Panama

Cruz Action Against Noriega Lawyers Viewed *[Panama City Radio]* 15
Former Soldiers Conspiring Against Government *[EL SIGLO 27 Jan]* 16
Official Says No Evidence of Bomb at EPASA *[Panama City Radio]* 17
Panamenist Party Issues 'Resolution' on EPASA *[EL PANAMA AMERICA 28 Jan]* 17

SOUTH AMERICA

Argentina

Menem Comments on Falklands Issue, Corruption *[NOTICIAS ARGENTINAS]* 19
Investigation Ordered in Corruption Cases *[BUENOS AIRES HERALD 28 Jan]* 19
Menem, Leaders View Constitutional Reform *[BUENOS AIRES HERALD 28 Jan]* 19
Consumer Prices, Inflation Statistics Reported *[BUENOS AIRES HERALD 4 Jan, etc.]* 20

Brazil

Cuba's Vilma Espin Visits, Discusses Shortages *[O GLOBO 25 Jan]* 20
PCP Votes To Change Name, Party Manifesto *[O ESTADO DE SAO PAULO 27 Jan]* 20
Condemns Execution in Cuba *[O ESTADO DE SAO PAULO 27 Jan]* 21
Economy Minister Meets With Tokyo Bank Chairman *[O GLOBO 24 Jan]* 21
Government 'Anxious' About IMF Doubts *[O ESTADO DE SAO PAULO 28 Jan]* 22
Social Security President Rossi Leaves Post *[O ESTADO DE SAO PAULO 27 Jan]* 22

Chile

Peru's Blacker Explains Reasons for Visit *[Santiago TV]* 22
Silva Views Bolivian Corridor's Affect on Arica *[Santiago Radio]* 23
Rojas: Armed Forces 'Cooperated With Democracy' *[Santiago Radio]* 23

Colombia

Government-Guerrilla Talks Could Be Delayed *[Santa Fe de Bogota TV]* 24
New Commission To Review Territorial Issues *[Santa Fe de Bogota TV]* 24
Police Chief Interviewed on Ocana Kidnappings *[Santa Fe de Bogota Radio]* 24
Simiti Mayor, PNR Official Reported Kidnapped *[Santa Fe de Bogota Radio]* 25

Peru

Shining Path Reportedly Downs U.S. Helicopter *[EXPRESO 23 Jan]* 25
Air Force to Receive PRC Y-12 Planes *[EL COMERCIO 17 Jan]* 25
Armed Forces 'Intervention' at Universities Noted *[EXPRESO 22 Jan]* 26
Court Orders Embargo on Former Ministers' Assets *[EL COMERCIO 18 Jan]* 26
MRTA Faction Forms New Guerrilla Group *[Madrid EFE]* 26

Uruguay

President Discusses Preparations for Mercosur *[ABC COLOR 17 Jan]* 27
EC Loans To Help European Immigrants Settle *[Montevideo Radio]* 27
PIT-CNT To Confront Government on Salaries *[Madrid EFE]* 27

Venezuela

Finance Ministry Issues Communique on Budget *[Caracas TV]* 28
Teachers' Strike Said 'Illegal,' 'Unjustifiable' *[Caracas TV]* 30
Marine Demarcation Seen as Problem With Colombia *[Santa Fe de Bogota TV]* 30

Cuba

Commentary Criticizes U.S. Policies on Island

FL2801234392 Havana Radio Rebelde Network in Spanish 0003 GMT 28 Jan 92

[Lazaro Barredo Barredo: "I Say, You Say, He Says; There Are Too Many Hands in the Pot in Washington for a Single Policy"]

[Text] Greetings, my friends. Let us say that the statement by Margaret Tutwiler, regarding U.S. Government actions against the terrorists who in Miami violate U.S. laws, deserves the benefit of the doubt. I would like to believe Mrs. Tutwiler, but in that country, the compromise with unrestrained hostilities against Cuba is so strong that it becomes one of the strategic errors racked up by U.S. policies, not only in regards to Cuba, but also regarding its own domestic life. I understand that many people, such as Mrs. Tutwiler, are becoming fully aware that due to this policy, the rules of American society have been broken in Miami.

Certain American political sectors are concerned that in contrast with the character of the nation, where political difference are solved by legal means and an ethic which excludes violence, in Miami the complete opposite occurs. In Miami, differences are solved by menacing protests, bomb scares, repudiation rallies, and constant threats which are turning increasingly more dangerous and are acquiring serious connotations which could turn the whole affair into a boomerang, as in the saying: If you sow the wind, you reap the whirlwind. This is why I understand, to a certain degree, why some Americans are worried by this level of tolerance toward anti-Cuban activities, although it reveals evident contradictions within the government sphere.

How are we to understand this phenomenon in which high-level foreign policy officials condemn any attempt to use U.S. territory to prepare or promote violence in Cuba, and later on Jeb Bush, the son of the U.S. President, comes on the scene to defend the strong ties and, of course, businesses that he has with the far right wing counterrevolutionary sector of Miami, to publicly discredit theses officials? He not only invokes his father and says the opposite, but also ridicules greatly Mrs. Tutwiler and other officials and with great license says, and I quote, the problem with the State Department is that many people have their own agenda, unquote.

However, this is nothing in comparison to the testimony given by U.S. intelligence leaders before the Senate's Armed Forces Committee last Wednesday, where it became evident that the government does have several agendas regarding the Cuban issue. I would like to ask Mrs. Tutwiler: How can you justify the murky intentions of these gentlemen who present a neighboring country considered hostile as a real specter, faced with the complicity of many of the legislators present there who know that they are being swindled; or are the intelligence services above the governmental apparatus?

This is why Lieutenant General James Carter, director of Army intelligence, again uses the hackneyed argument that, and I quote, the internal situation of Cuba has reached such a point that it could turn into a security problem for the United States, unquote. It is very symptomatic that this gentleman once again uses the threat of the bogeyman, not only following statements by prestigious U.S. political figures who participated in the tripartite October Missile Crisis Conference in Havana, and who affirmed the complete opposite, but also that he does it in the midst of a gigantic defamatory campaign against Cuba. He justifies his statements on the basis of a distortion of the Cuban reality. Allow me to quote this general in charge of military intelligence. Quote, the fast economic decline and increasing shortages could generate another refugee exodus. Such conditions could also turn into generalized violence which could represent a threat to the U.S. forces in Guantanamo, unquote.

The testimony given by Robert Gates, current director of the Central Intelligence Agency, CIA, was not less preposterous. He presented an apocalyptic outline of the situation in Cuba, almost as if we were cannibalizing ourselves, and brought disinformation to new heights when he referred to events on the island, and I quote, the repression of the Cuban regime against a growing opposition anticipates a violent social explosion, unquote.

I would like to ask Mrs. Tutwiler if this propaganda does not give the public opinion the utter most negative picture the terrorists promote, or if these smart-alecks are not trying to fabricate a new pretext for aggression. The American idiosyncrasy suits perfectly the intentions of the U.S. intelligence leaders. Several writers have described the American idiosyncrasy in broad term as, and I quote, the Americans' lack of interest in politics and general lack of political knowledge go hand in hand to make them more vulnerable to deception. They are known for making quick judgments. Americans are, by doctrine and temperament, unaware of speculation and rumors and in regard to a delicate subject will only speak after an expert, or someone whom the media recognizes a such, has spoken, unquote.

How can this anti-Cuban campaign be interpreted in a way other than a preparation for some contingency for the island? Whom are they supporting? What are the U.S. intelligence leaders trying to accomplish through these absurdities? I would like to ask Mrs. Tutwiler to consider if this Cuban, who is not excessively suspicious, has no basis for believing that, in addition to the potential military threat, in addition to the drumming on Cuban foreign trade, in addition to the defamatory campaign against Cuba, in addition to promoting fifth columns, the United States will turn a blind eye to the terrorists to open again the floodgate of bilateral tensions while hiding its direct complicity. Because in this I say, you say, he says, in the United States, there are, my friends, too many hands in the pot for a single policy.

Vice President Fernandez Arrives in Syria

FL2901015992 Havana Radio Rebelde Network in Spanish 0000 GMT 29 Jan 92

[Text] Cuban Vice President Jose Ramon Fernandez began an official visit in Syria today. The aim of the visit is to strengthen bilateral relations and analyze international issues of mutual interest. Fernandez and the delegation he heads were met on their arrival in Damascus by Salim Yasin, Syrian deputy prime minister for economic affairs.

Ricardo Cabrisas Meets With DPRK President

FL2801195392 Havana Radio Progreso Network in Spanish 1100 GMT 28 Jan 92

[Text] DPRK President Kim Il-song met with Cuban Foreign Trade Minister Ricardo Cabrisas in Pyongyang on Monday. They spoke for over an hour. Previously, Cuba and North Korea had signed commercial agreements in which Cuba will ship sugar, nickel, and leaf tobacco and North Korea will ship machinery, and technological equipment, among other things.

Students Stage Support Rally at Moscow Embassy

FL2901000692 Havana Cuba Vision Network in Spanish 2320 GMT 28 Jan 92

[Text] At the Cuban Embassy in Moscow today, dozens of Cuban students confirmed their loyalty to our government and President Fidel Castro on the 139th anniversary of the birth of our national hero, Jose Marti. Demonstrations of support for the Cuban revolution and socialism have taken place in Mexico, Korea, and the Philippines, among other countries, to demand an end to the embargo against Cuba and against the presence of the U.S. base in Guantanamo. The validity of Jose Marti's thinking has also been noted with the founding of a Hungarian-Cuban Friendship Association in Budapest, as well as in debates, roundtable discussions, and exhibits in Romania and Russia.

Ecuadoran Legislators Meet With ANPP President

FL2901031692 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 29 Jan 92

[Text] A delegation of Ecuadoran legislators held talks today with the president of the National Assembly of the People's Government [ANPP]. The legislators expressed interest in the functioning of the body as well as the development plans in health, tourism, and education. They also participated along with thousands of young people in the celebration of the 139th anniversary of Jose Marti's birth.

[Begin unidentified Ecuadoran legislator recording] Marti is a man of such great importance, in his thinking and actions, in spite of the fact that his enemies cut his life off very short. His main phrase: Our America, has greater tenderness and validity today than ever. I think that that dream, in spite of the difficulties and obstacles that some try to impose on us from the bloody and brutal North that despises us, is more valid today than ever. [end recording]

Cultural Cooperation Agreement Signed With Angola

FL2901030892 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 29 Jan 92

[Text] Today, the Cuban and Angolan Governments signed a cooperation program in culture, education, and science which will cover the 1992 to 1993 period. The document was drawn up based on the cultural agreement signed by the two countries on 7 December 1976 in Havana. Adelino Peixoto, the secretary of state for culture of the People's Republic of Angola, and Cuban Minister of Culture Armando Hart Davalos signed the document, which also proposes the renewal of cooperation between the film and book industries of the two countries and other fields of culture and education. Mr. Adelino Peixoto characterized the renewal of these agreements as very important.

[Begin Peixoto recording in Portuguese with consecutive Spanish translation] I understand that whatever the political situation in any country may be, culture has directions and activities which are absolutely current. Preserving the historic and cultural wealth of a country is a duty of any government. [end recording]

Sports Agreement Signed With Venezuela 28 Jan

FL2801212892 Havana Radio Rebelde Network in Spanish 1800 GMT 28 Jan 92

[Text] Today in Havana, Cuba and Venezuela signed a sports cooperation agreement that includes the exchange of delegations and specialists. Conrado Martinez Corona, president of the National Sports, Physical Education, and Recreation Institute, and Francisco Diaz Escribano, head of the Venezuelan Sports Institute, signed the agreement. Martinez Corona characterized this agreement as the most complete our country has signed with any other nation. Diaz Escribano expressed his pride in that his country is participating together with Cuba in this type of program. Francisco Diaz Escribano added: Let us hope that this exchange serves to demonstrate that there can be a relation of cooperation and friendship.

As part of the agreement, Cuba will receive $500,000 for the self-financing of sports and will also participate in 11 events in the land of Bolivar. Venezuela will also send athletes to an approximate number of competitions in Cuba and will benefit from the technical assistance of more than 100 Cuban specialists.

Dissident Denies Opposition Party 'Hatching'

PA2901043992 Mexico City NOTIMEX in Spanish 1942 GMT 27 Jan 92

[Text] Havana, 27 Jan (NOTIMEX)—Elizardo Sanchez, president of the Cuban Human Rights and National

Reconciliation Committee, today denied that a political party that opposes the ruling Communist party is hatching inside Cuba.

The Cuban dissident said that in Cuba there is no political party or organized movement that opposes Fidel Castro's government.

"Current legislation does not authorize the organization of political parties or movements, since the Communist Party of Cuba is the only political organization legally allowed," he noted.

Sanchez reported that a group of intellectuals with social democratic tendencies drew up a social democratic program intended to conduct a dialogue from which all the diverse opinions on seeking a peaceful solution for Cuba could emerge.

The program, delivered to NOTIMEX, proposes coordinating all the opinions that identify with "the basic values of democratic socialism and promote social dialogue as a legitimate means to solve the national problems."

The program, drawn up by an ad hoc council, which includes Elizardo Sanchez, Bladimiro Roca, Rolando Prats, Nestor Baguer, among others, proposes a national debate that "assumes the pluralist character of Cuban society."

The program recommends drawing up a new constitution in which guarantees the freedom of expression, the right to strike, the unions' independence from the state, the right to associate and to form unions, and the freedom to create and to participate in the cultural life.

Likewise, the new constitution expresses the right to social security and the protection of all persons prevented from working due to age, disability, sickness, or any other restriction and the right to ownership of their home of the current occupants.

The program also calls for amnesty for all the persons jailed "for so-called crimes against the state" and the approval of new laws with regard to economic, financial, and fiscal matters that establish the mixed and democratic character of the Cuban economy.

The program also recommends holding free, direct, and secret elections, as well as joint ventures and privately run companies.

Several of the writers of the social democratic program program are members of the dissident organization Cuban Democratic Convergence linked abroad with such exile organizations as Carlos Montaner's Democratic Platform and Huber Matos' Independent and Democratic Cuba.

Last year more than 20 opposition organizations that oppose Fidel Castro's government emerged. The majority of these organizations have a small following and, up until now, very little influence on the population in general.

The internal opposition has now gone from leveling charges of human rights violations to opposition political activities.

Further on Lage's Remarks on Economic Situation

PA2801133192 Havana Radio Havana Cuba in Spanish 0100 GMT 28 Jan 92

[Text] We are now experiencing in Cuba a very peculiar stage in our political, economic, and social development—a stage that has been called a special period for times of peace—due to the prevailing difficult economic conditions in our country following the collapse of the socialist system and the disappearance of the Soviet Union, which was an important source of Cuban trade. Our country, however, is determined to triumph in the face of difficulties and believes it will attain its development in due time.

Carlos Lage, one of the Cuban Government leaders, said the above in an interview granted to the JUVENTUD REBELDE weekly now published on Sunday. Here is a report which Carlos Mazola, one of our specialists, prepared on what Carlos Lage told the Cuban weekly JUVENTUD REBELDE.

[Begin Mazola recording] Carlos Lage, the high-ranking Cuban leader said in the interview: With the special period the island is experiencing, we are quickly realizing that if something is not efficient, it is not socialist. Lage said Cuba is suffering from the economic impact caused by the U.S. blockade and the collapse of the socialist states in Europe, the latter which were the island's main allies.

Lage said that our country lost 50 percent of its buying power, with the collapse of socialism in Europe and the disappearance of the Soviet Union, an area where Cuba conducted 85 percent of its trade.

He said another source of tension in the island's economy is to see its oil supplies reduced from 13 million tons in 1989 to between 4 and 6 million in 1992. He said the traditional way to face a similar economic situation in any capitalist country is through the supply and demand formula, which is regulated by prices. That is equivalent to unemployment, reduction of public expenditures, closing of schools and hospitals, but that is not the way it is in Cuba.

After noting that the state does not abandon any citizen, Carlos Lage, who is also a member of the Politburo of the Communist Party of Cuba, said in the interview published by JUVENTUD REBELDE, that Cuba is taking steps to overcome its current difficult economic situation. He noted that the country is studying hundreds of offers from foreign capital investors, despite the U.S. pressure to prevent an improvement in the situation in Cuba. After noting that the Cuban state gives total guarantees to foreign capital investors, the executive secretary of the Council of Ministers asserted that approximately 50 associations with foreign capital have been approved to operate on the island. Another 100

associations are well advanced in the process of negotiation. Lage explained that activity is carried out with minimum reporting, because there is a persistent pressure by the United States on those seeking to invest in the island. In spite of everything, business is flourishing, above all in view of the revolution's prestige, social tranquillity, and other advantages that investors recognize exist in Cuba, but are not available in other countries, Lage added. He said this policy is an example of Cuba's ability to change.

Lage mentioned the development of international tourism as one of the most important openings abroad that can be made by any country. The Cuban leader expressed his confidence that the nation will be able to emerge from its current adverse economic situation. He cited short- and long-term prospects in branches such as biotechnology, tourism, and the pharmaceutical industry, among others. The socialist formula to emerge from the special period is to draft a correct development strategy, to increase production, work, live with great austerity, and to make the changes required by Cuba's economy under new conditions, but without abandoning, of course, our socialist regime, Carlos Lage stated. [end recording]

Castro Tours Multiple Crop Enterprise in Havana

FL2801212792 Havana Radio Reloj Network in Spanish 1802 GMT 28 Jan 92

[Text] Commander in Chief Fidel Castro visited the Guira de Melena Multiple Crops Enterprise in Havana on 27 January. He showed interest in the work carried out in the enterprise by mobilized students from the University of Havana. During his tour, which lasted for more than four hours, the leader of the revolution learned about the work done by the provincial center to breed insect predators and pathogens, located at the enterprise.

Later, Fidel visited the fields cultivated for the Academy of Science, where he spoke with workers of a minicontingent from Boyeros and students of the DPRK Polytechnical School about the varieties of tomatoes, onions, and papayas. The commander in chief said agriculture today is staunchly socialist, and by looking at all the planted fields, our workers' spirit of dedication can be seen.

As part of his tour of the Guira de Melena Multiple Crops Enterprise, Fidel visited the potato production center located at Pedro Diaz No. 5, where the University of Havana students work. Fidel spoke with them about the status of the crops. Later, the leader of the revolution went to these students' camp, where he spoke with the cook on the quality of food, expressing concern about the attention which the university students receive.

Regarding the boniato harvest, Manuel Cabanes, first secretary of the Communist Party of Cuba in Guira de Melena, informed Fidel that they have harvested an average of more than 7,000 quintals of boniato per caballeria. Cabanes asserted that the Cuban leader was satisfied with what he had seen on his tour of more than one third of the Guira de Melena Multiple Crops Enterprise.

Holguin Province Uses 23,700 Oxen in Agriculture

FL2801223492 Havana Radio Reloj Network in Spanish 2053 GMT 28 Jan 92

[Text] More than 23,700 oxen are being used in agriculture in Holguin. These oxen were mainly trained in order to cope with the fuel shortage, as replacements for motorized traction. More than 14,700 oxen are being used for soil preparation in the state cooperative and small farming sectors. Their use has increased the manufacture of agricultural devices and implements in the workshops of various enterprises.

Depending on their production level, the independent farmers and members of cooperatives in Holguin have at their disposal a large number of oxen to work the land and carry out other tasks. The province has trained some 1,200 oxen to increase the number of animals in service in the state sector. Meanwhile, 1,078 oxen are being domesticated by personnel specifically trained in that task.

Inter-Caribbean Affairs

Rights Group Sends Cable to Cuban Government

FL2801222292 Bridgetown CANA in English 2015 GMT 28 Jan 92

[Text] Bridgetown, Barbados, Jan 28, CANA—The regional human rights network, Caribbean Rights, on Tuesday declared a "firm opposition" to "terrorist activities" and to the death penalty for any criminal act. Its position has been set out in a cable sent to the Cuban Government on the recent execution of a Cuban exile from Miami, Eduardo Diaz Betancourt.

The cable has been copied to the Government of the U.S., the United Nations secretary general, the secretary general of the Organisation of American States, and Amnesty International, the human rights watchdog.

Caribbean rights had pleaded in a cable on January 16 to President Fidel Castro to spare the lives of three Cuban exiles accused of engaging in terrorist activities. In its latest cable, addressed to Cuba's ambassador to the United Nations, Ricardo Alarcon, Caribbean Rights expressed gratitude for the clemency extended to two of the convicted exiles, but noted its "deep sadness" over the execution of Betancourt.

The umbrella body, grouping eight national human rights affiliates, said it "sincerely hopes that the Government of the U.S.A. would take all necessary steps to prevent terrorist activities against the sovereign state of Cuba." Caribbean Rights also stated its awareness of what it has described as "the tremendous problems facing Cuba as a consequence of the continuing economic, financial, and commercial embargo instituted against the Caribbean nation by the U.S.A."

Declaring the now 30-year-old embargo to be "unjust", it called for its "immediate termination." it, however, told Ambassador Alarcon of its "strong appeal" for the Cuban Government to respect the "fundamental rights of all Cuban citizens," even as it "strives to protect the sovereignty of the state of Cuba from all acts of foreign aggression."

Haiti

OAS Condemns 25 Jan Attack, Calls For Inquiry

FL2901123492 Bonaire Trans World Radio in English 1130 GMT 29 Jan 92

[Text] The Organization of American States has condemned Saturday's attack by Haitian police on Prime Minister-designate Rene Theodore. The OAS Permanent Council has called for its human rights wing to make a full investigation of abuses in Haiti. OAS Secretary General Joao Baena Soares says Mr. Theodore will continue as a candidate for prime minister despite the attempt on his life in which one of his bodyguards was killed. Meanwhile, the OAS is sending 30 tons of food and medical supplies to Haiti. A Chilean plane carrying the supplies left an airport outside Washington late yesterday for Port-au-Prince.

CONACOM Condemns Attack

FL2801195292 Port-au-Prince Radio Metropole in French 1145 GMT 28 Jan 92

[Text] The National Congress of Democratic Movements [CONACOM], while condemning the 25 January attack, also denounces the persecutions suffered by militants of political parties and grass roots groups in several locations throughout the country.

The party specifically notes that on 25 January, at around 1600 GMT, plainclothes policemen equipped with communications equipment and armed with heavy weapons arrived the party headquarters, demanding information on the possibility of a political meeting.

CONACOM urges the political leaders humiliated on 25 January, as well as those who have been victimized throughout the country, to continue to manifest their self-surpassing courage by persevering on the path of concerted action, which is the only path capable of helping Haiti successfully manage a negotiated solution back onto the long-term track of democracy.

FNCD Denounces Attack

FL2801192892 Port-au-Prince Radio Metropole in French 1145 GMT 28 Jan 92

[Text] The National Front for Change and Democracy [FNCD] denounces and condemns the criminal act [attack against the National Reconstruction Movement headquarters on 25 January] financed, according to the party, by the enemies of change and democracy. FNCD remains convinced that democracy must definitely germinate in Haiti.

Witnesses Provide Details

FL2801212692 Port-au-Prince LE NOUVELLISTE in French No. 34.225 27 Jan 92 pp 1,2

["Excerpt" from article: "National Reconstruction Movement Headquarters Attacked by a Commando" with subtitle: "Rene Theodore's Body Guard Gunned Down"]

[Excerpt] [Passage omitted] According to the victims, a commando squad composed of seven men armed with assault rifles and submachine guns, entered the headquarters of the movement in 2d Ruelle Wilson in Pacot. They disarmed aides who are licensed to carry guns and ordered them to raise their hands and to lay down on the floor.

One of the attackers asked Rene Theodore's personnel body guard, Yves Jean-Pierre, 32, why he was armed. "Because I am the body guard of Rene Theodore," he answered. The victims told AFP that because of his answer he was immediately gunned down with three bullets to the head.

The gunmen, who were equipped with radio communication equipment, drove off without a worry. The victims said that before they left, the gunmen radioed for a new team of plainclothes policemen from the police Investigation and Antigang Service which is supervised by a captain. The witnesses reported that these policemen trampled the political officials who were still on the floor. They kicked each one of them in the face, insulted them, and threatened "to blow out their brains if they raised their heads." [passage omitted]

Government Appoints Tripartite Commission Members

FL2801215192 Port-au-Prince Radio Metropole in French 1600 GMT 28 Jan 92

[Text] The provisional government has appointed three persons to represent it on the tripartite arbitration commission in the search of a negotiated solution to the Haitian political crisis. This decision was taken on 24 January by the Senate. The government representatives on the commission are Remy Mathieux, Rigaud Duplan, and Raymond Pioux. The Senate has already chosen its three representatives. They are National Reconstruction Movement Senator Rony Modestin, Assembly of Progressive National Democrats Senator Julio Larosiliere, and National Front for Change and Democracy Senator Thomas Eddy Dupiton.

The deputies will chose their representatives on the tripartite commission today.

St. Vincent and the Grenadines

Prime Minister Mitchell Creates New Ministries

FL2801220592 Bridgetown CANA in English 2134 GMT 28 Jan 92

[Text] Kingstown, St. Vincent, Jan 28, CANA—St. Vincent and the Grenadines prime minister, James Mitchell, has made some minor changes to his cabinet which affect the Ministries of Trade, Foreign Affairs, Housing, and Communications and Works. Some of these ministries have been re-organised and at least two new portfolios added.

Mitchell, announcing the changes in a national radio and television address, said he had relieved himself of the portfolio of foreign affairs which has been assigned to tourism minister, Herbert Young. The trade section which was formerly under the Tourism Ministry has been combined with a new portfolio, consumer affairs and forms the new Ministry of Trade and Consumers Affairs. That ministry is headed by Johnathan Peters, who was previously a minister in the Prime Minister's Ministry.

Parliamentary secretary in the Tourism Ministry, Stuart Nanton, now joins Peters in the new Trade Ministry, while the parliamentary secretary in the Ministry of Housing, Bernard Wyllie exchanges with his counterpart in the Ministry of Communications and Works, Monty Roberts.

Mitchell also announced the creation of a new portfolio in his Ministry of Finance to accomodate Stephanie Browne, parliamentary representative for the Southern Grenadines constituency. She has been assigned responsibility for Grenadines affairs which has been accorded a portfolio for the first time.

The proposed changes now await the assent of Governor General Sir David Jack and will become effective this week, Mitchell said. Meanwhile, a shift of permanent secretaries is also on the cards and would be announced later, he added.

Senate Supports Part of Trade Agreement Agenda

PA2701204392 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 27 Jan 92

[Report by Claudio Guzman]

[Text] The Senate of the republic has voiced support for 15 of the 18 points which form the agenda of the trilateral free trade agreement that is being negotiated, according to Carlos Sales Gutierrez, president of the Senate's Commerce Commission.

The final document of the trilateral free trade agreement will be completed in the last week of February. However, this does not imply the agreement will be signed then, Carlos Sales Gutierrez stated.

Herminio Blanco, chief negotiator of the free trade agreement negotiating group, said the three parties are drafting a document on the agricultural sector that will be incorporated into the overall document. This is being done regardless of the possibility of reaching an accord or not on the agricultural sector during the GATT talks in Uruguay.

Herminio Blanco said the date for concluding the document has not been determined. He pointed out it is being discussed and analyzed without any time pressure, because the social and private agricultural sectors in Mexico will be consulted once more.

Emilio M. Gonzalez, president of the Senate's Commission, said the timing for negotiating the agreement is satisfactory. Sales Gutierrez said the negotiations will continue on petrochemicals, agricultural products, and automobiles. He believes the drafting of the 18 points could be completed between 9 and 10 February during the talks in Annapolis, Maryland. This will enable the parties to finish the document by the end of the month.

So far, the senators have endorsed 15 points of the trilateral agenda. The evaluation of the text of these points was based on the following criteria:

1. The free trade agreement document being drafted respects fully all constitutional provisions.

2. The contents of the text protects the interests of the country.

3. There are no actions which may affect or jeopardize national sovereignty.

4. The agreement opens up new commercial relations with the United States and Canada, which will enable Mexico to respond to the needs of the present situation.

5. The three countries will be able to sign commercial agreements with other nations or blocs so as to expand foreign trade.

Salinas Signs Decrees Reforming Constitution

PA2801192892 Mexico City Radio ACIR Network in Spanish 0030 GMT 28 Jan 92

[Report by Rosi A. Vasquez]

[Text] On 27 January, President Carlos Salinas de Gortari signed three decrees reforming the Constitution of Mexico into law. These decrees deal with the relations of the state with churches, protection of rights of Indian communities, and the basic legal recognition of the National Human Rights Commission. The aforementioned decrees will be published on 28 January in the government paper and will go into effect on 29 January.

On 29 January, the reforms of seven articles of the Constitution of the United Mexican States will go into effect. At Los Pinos government residence, President Carlos Salinas de Gortari signed three decrees reforming our Constitution. These decrees will go into effect one day after being published in the government paper.

The first decree regulates the relations between the state and the churches. It should be pointed out that Articles 130, 3, 5, 24, and 27 of the Constitution have been modified. The second decree contains an addition to Article 4 of the Constitution. It is intended to establish and guarantee the effective protection of the rights of people and Indian communities of the country. The third decree legalizes the duties of the National Human Rights Commission and the organizations responsible for guaranteeing human rights in each state of the republic. This decree reformed Article 102 of the Constitution.

All the aforementioned reforms have been approved by the Congress during its regular period of sessions and later sanctioned by the Permanent Commission of Congress in the Federal District and the legislature of the states, with the exception of Baja California.

According to the decrees, these reforms will go into effect one day after their publication in the government paper.

El Salvador

ARENA's D'Aubuisson Reportedly Near Death

PA2901035892 San Salvador Canal Doce Television in Spanish 0300 GMT 29 Jan 92

[Text] Major Roberto d'Aubuisson, founder of the Nationalist Republican Alliance [ARENA] and former president of the National Constituent Assembly, could die within the next few hours, ARENA President Armando Calderon Sol said during the afternoon of 28 January:

[Begin Calderon recording] It is true that this is an emergency situation for ARENA. Our rank and file is very concerned, and are monitoring Maj. D'Aubuisson's status. We are in an emergency situation, and that is why I did not travel to Mexico City. My presence here is demanded by our party and Maj. D'Aubuisson. [end recording]

Over the past few hours, Maj. D'Aubuisson underwent two operations with limited results in an attempt to stop internal hemorrhaging. He could die within the next few hours, ARENA President Armando Calderon Sol pointed out.

The founder of the ruling political party has been in critical condition at a private hospital in this capital for the past 21 days and has even less chance of surviving at this time.

[Begin Calderon recording] As party president, my presence here is necessary at this very difficult time for ARENA. We are facing this test. Our top leader is facing some difficult moments. I believe that this is the most critical period that the major has experienced thus far. [end recording]

Maj. D'Aubuisson, who is 48 years old, suffers from throat cancer, which has spread throughout his entire body. The doctors said it is difficult to predict what will happen over the next few hours. [Words indistinct] Maj. D'Aubuisson for the past 10 years in a private hospital in this capital. The people are beginning to wonder what will happen over the next few hours to one of the country's top political leaders.

FMLN Announces Dissolution of General Command

PA2801201592 San Salvador Radio Cadena YSU in Spanish 1916 GMT 28 Jan 92

[Report by Carlos Mario Marquez]

[Text] Good morning, dear listeners. The dissolution of the Farabundo Marti National Liberation Front [FMLN] was announced officially this morning by Commanders Juan Ramon Medrano and Jose Leoncio Pichinte. The commanders held a news conference in San Salvador to report on some aspects of the celebrations to be held on 1 February, when the cease-fire will become effective.

Commander Medrano said that the FMLN General Command was virtually dissolved when the peace agreements were signed on 16 January. It has been said that the commanders will form the National Political Directorate of the new party Farabundo Marti National Liberation Front, which will be created on 30 April as scheduled in the agreements between the government and the FMLN.

We repeat: The FMLN General Command was dissolved as of 16 January. The official announcement was made this morning during a news conference held by Commanders Medrano and Pichinte of the FMLN Political Directorate. They also said that the four commanders still out of the country are expected to arrive at El Salvador International Airport on 31 January. These commanders will be accompanied by ambassadors from friendly countries and members of the UN Observer Group in El Salvador. It has also been said that the commanders will participate in celebrations throughout the country. Military garrisons and other social forces in the country's interior are working together so these celebrations can take on the nature of a national joint effort. A joint celebration has already been arranged in San Miguel and Usulutan, where even brigade commanders are participating in the preparations. Celebrations have also been announced for Santa Rosa de Lima in La Union Department, as well as Santa Ana and Sonsonate.

The main celebration reportedly will be held at the Civic Square at 1300 on 1 February, where the five FMLN commanders will participate and announce their decision to incorporate themselves fully into political life.

FMLN Commentary on 'Positive Signs for Peace'

PA2901020192 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 28 Jan 92

[Station commentary: "More Positive Signs for Peace"]

[Text] The new climate of peace that can now be felt in the entire country is showing a new facet of hope and confidence every day as the peace agreements are being implemented.

The approval of the amnesty law, as well as the intense work being done by the cease-fire commission in the interior of the country, have been two of the initial steps that are already opening up the road of transformation and national reconciliation.

The Salvadoran people have already begun to see events that a month ago would have seemed impossible. For example, there is the presence in public of top Farabundo Marti National Liberation Front [FMLN] leaders in the capital, even those from the General Command. There is also the visit paid by Planning Minister Mirna Lievano de Marquez to the city of Segundo Montes in Morazan Department, one of the most conflict-ridden sites during the war. She was welcomed by guerrilla leaders and fighters.

Within this framework, the visit paid by U.S. Ambassador William Walker to the guerrilla camps in Guazapa is of great importance, not only because it has been the first official visit by a U.S. ambassador to one of the sites under FMLN control, but also because it shows a change in attitude in the White House policy toward El Salvador in favor of the peace agreements and against the warmongering positions of impunity and militarism.

Equally important for the peace agreement has been the arrival in El Salvador of the UN observers, known as Blue Berets. This has contributed to the framework of confidence surrounding the solemn installation of the National Commission for the Consolidation of Peace on 1 February, the date when the cease-fire will formally go into effect.

Without a doubt the first and second separation of forces that will take place in February will be a decisive factor in the demilitarization of society. It will help place in the hands of civilian society the steering wheel of the new El Salvador, the democratic and social justice aspects of which are stipulated in the peace agreements.

Copaz Subcommissions To Promote Agreements

PA2801142092 Panama City ACAN in Spanish 2330 GMT 27 Jan 92

[Text] San Salvador, 27 Jan (ACAN-EFE)—El Salvador's National Commission for the Consolidation of Peace (Copaz) will initiate meetings on 28 January in Mexico to form the subcommissions that will promote the fulfillment of the pacification agreements signed between the government and guerrillas.

Sources from the opposition Christian Democratic Party (PDC) and the ruling Nationalist Republican Alliance (ARENA) confirmed to ACAN that the members of Copaz will travel on 28 January to Mexico City to begin the meetings.

PDC Secretary General Fidel Chavez Mena stated on 27 January that the priority tasks of the meeting are the establishment of a schedule of Copaz activities and the formation of work subcommissions, which are needed to promote different aspects of the peace agreements.

Chavez Mena, also a congressman, recalled that among the agreements signed on 16 January is one concerning the legal transfer of lands in war zones to current residents and to former guerrilla fighters.

Other subcommissions, he explained, will discuss ways to implement reforms to the electoral system, the organization of the future Civil National Police, the drafting of bills, and the verification of the cease-fire process scheduled to begin on 1 February.

Copaz is formed by two members of the government, two from the Farabundo Marti National Liberation Front (FMLN), and one representative and one alternate from the parties represented in congress.

Chavez said that the forthcoming Copaz meeting in Mexico will be the last to be held abroad due to congress' approval of the amnesty law, which will become effective on 1 February.

This law, described by congress as the "Law for National Reconciliation," establishes that members of the FMLN that are members of Copaz, as well as those who are members of work groups or subcommissions to promote the peace agreements, will be granted pardons as of 1 February.

Honduras

Callejas Delivers Speech to National Congress

PA2901041892 Tegucigalpa LA TRIBUNA in Spanish 27 Jan 92 pp 80, 86

[Speech by President Jose Leonardo Callejas before the National Congress in Tegucigalpa on 25 January]

[Excerpts] Honorable Messrs. Deputies, Ladies and Gentlemen:

The executive branch did many things in 1991 for the common good of Honduran society, and these things are thoroughly explained in the annex to this report. However, allow me say to this respected legislative chamber that 1991 brought about qualitative changes for Honduras that will be historic and will set the stage for our fatherland.

I am pleased to inform this honorable representational body that in 1991, many compatriots who had lived for many years in Nicaragua, Cuba, and other countries returned to their native land, and my administration offered them all guarantees and protected their lives and property. We are now urging them to actively join the nation's economic and political life. In 1991 there were also efforts to bring back to our fatherland as soon as possible those who have not yet returned. From this forum I say to these compatriots that the entire nation welcomes them fraternally because there is only one difference between them and us: our ideas. My administration promised no one would be persecuted for his particular view of the world and society. I reaffirm my commitment to ensure there will be no disappearances in Honduras during my administration. Let the Honduran people be the best witnesses of this.

I wish to thank all those who have cooperated with this task: the National Congress for issuing the general amnesty decree; the Armed Forces' members for offering the security the law mandates for all citizens of this country and for risking their lives to protect our sovereignty by constantly defending our borders; the Catholic Church and its hierarchy, which has positively contributed to this struggle; and many other people and institutions that have made this reunion of Hondurans possible.

There was a very important event during that year of social restorations. The executive branch submitted to

this sovereign National Congress two draft bills that will set the course for our society's development.

Democracy takes two forms: an indirect or representational form and a direct one that is exercised by the people themselves. In the area of direct democracy, my administration has echoed the people's will, through the involvement of the parties, in issuing two essential laws: the Social Housing Fund (FOSOVI) and the Law on Revival of the Agricultural Sector. Both laws were the product of an agreement between the parties involved and my administration. The administration has simply used dialogue to consolidate society's efforts and has exercised its authority to present laws by submitting these, which were previously approved by the nation, before this honorable congress. [passage omitted]

Economic and Financial Perspectives

Having presented the major aspects of this administration's activities in the social sector to the honorable National Congress for its consideration, I will now present a brief explanation of the outlook for the economic and financial sectors.

According to preliminary figures, in 1991 economic activity showed signs of recovery and recorded a 2.3-percent growth rate. This compares favorably to the 0.1-percent decrease recorded in 1990. These figures were a result of the Economic Stabilization Program initiated by the government in March 1990.

In evaluating the principal macroeconomic variables, several positive indicators point towards recovery. These have allowed us to forecast, first of all, that production in real terms will reveal a 2.3-percent growth. In addition, inflationary pressure, as measured by marginal inflation, will increase approximately 22 percent. This will be considerably lower than the 36.4 percent recorded in 1990. Furthermore, a reduction in the public sector international deficit will be achieved, from 5.8 percent of the Gross National Product [GNP] recorded in 1990 to 4 percent in 1991. This will be supported by a restrictive credit policy to strengthen the balance of payments. It is noteworthy that the inflation rate recorded in December 1991 was 0.2 percent, the lowest on the American continent. In the external sector, there was a $40 million increase in net international reserves. This was possible due to a more than 27-percent increase in repatriated currency and to greater disbursements of resources from bilateral and multilateral financial organizations. The trade gap will increase to $346.3 million and will be financed through capital transfers and movements.

In sum, it can be said that the government has continued its Economic Program, which will allow this administration to accomplish, among other things, the following:

—Gradually direct the economy to a path leading to economic recovery and prolonged growth.

—Control inflation. In 1991 the annual inflation rate was approximately 22 percent, less than the 36.4 percent recorded in 1990. In the last five months of 1991, the inflation rate was less than 5 percent.

—Reduce the public sector fiscal deficit. It went from 5.8 percent in 1990 to 4 percent in 1991.

—Have a realistic and stable exchange rate that allows exports to be competitive and encourages exporters to bring back their capital. The currency has fluctuated from 3.50 to 5.40 [to the dollar] since late 1990.

This year the economy is expected to grow in real terms over 2 percent, which is favorable when compared to the 0.1-percent drop registered in 1990.

In analyzing the composition of national production, we notice that the agricultural and livestock sector, which makes the biggest contribution to the domestic product (26 percent), registered a 2.7-percent growth rate, a figure above 1990's, which totaled 0.6 percent. This is due to the improvement in the agro-industrial sector, which had been stagnant for the previous three years. That sector has maintained its relative contribution to the domestic product at around 13.7 percent. In addition, the contribution of the transportation, commerce, banking, and insurance sectors remains stable at approximately 25.2 percent of the GNP. The other sectors, namely, construction, commercial services, and public administration, continue to show negative growth rates, although not as large as in previous years.

The central government's finances up to September 1991 reflected a positive result: the deficit was reduced from 373.7 million lempiras in 1989 to 142.1 million lempiras in 1991. The reduction of the deficit corresponds to an increase in revenues and a reduction in spending. In September 1991, current revenues totaled 2.1085 billion lempiras and current spending totaled 1.8441 billion lempiras. This produced a savings of 264.4 million lempiras in the current account, compared to the 114.7 million lempiras deficit of September 1989. The positive finances of the central government are partly caused by the increase in tax revenues that stemmed from the tax reforms introduced into the tax system.

The effectiveness of the government's fiscal policy can be seen in the increase in savings over the last two years; this in turn has has resulted in a reduction of the international debt.

It should also be pointed out that the capital outlays of the government continue to increase, after going from 326.6 million lempiras in September of 1990 to 348.7 million lempiras in September of 1991. Regarding the financing of public investment, an important change has taken place. The participation of current savings in public investment has risen from 30.1 percent in 1990 to 75 percent in 1991, which allows the government to have greater freedom in handling the fiscal policy. As a result of all this, the deficit of the central government totaled 142.1 million lempiras in September of 1991, that is 45.2 percent less that the deficit for the same period in 1990.

Regarding the financing of the fiscal deficit, the reduction of net foreign credits and the fact that the net internal financing has a negative balance should be pointed out. This is reflected in the liberalization of resources which were previously spent by the government to favor the private sector. These resources will be destined for investment in productive sectors.

The recovery of the government's public debt is gradually increasing. By September of 1991, the payment of interest and the amortization of capital combined amounted to 1.1403 billion lempiras, which represents 54.1 percent of the current revenues. [passage omitted]

Monetary and Credit Policy of the Central Bank of Honduras in 1991; Cash Reserves

In order to achieve monetary stabilization, the Central Bank of Honduras has maintained the cash reserves at 35 percent for commercial banks and 15 percent for the savings and loans associations, maintaining its goal not to increase internal credit in a disorderly fashion.

In past years, the Central Bank played the role of a last-resort lender of the government by issuing consolidated public debt bonuses. This resulted in a rapid growth of the government's current expenditures, leading to a permanent imbalance of the economy. Because of this, the Central Bank has decided to control the credit granted to the government. In fact, in September of 1991, the balance of net growth granted by the Central Bank to the government was reduced by 476 million lempiras, as compared to December of 1990. Additionally, the Central Bank has avoided the practice of printing money without backing to finance the fiscal deficit, having registered a reduction of 96.8 million lempiras during this period. This supports the economic measures implemented by the government in order to maintain economic stability.

Regarding international monetary reserves, the Central Bank has managed to achieve a notable recovery. In September of 1990, the international monetary reserves totaled 35.5 million lempiras, which contrasts with the balance of the previous year. The Central Bank's foreign debt has been substantially reduced by 201.9 million lempiras, following payments against the trade credits for the balance of payments.

Regarding 1991 fiscal policy, the government continued to focus on measures to curb spending and increase collection of revenues. The aforesaid measures were adopted to bring the fiscal deficit down to the limit established by the government's economic policy, which at all times based economic growth on financial stability. This has been fulfilled during the two years of government. In 1991, the net relationship of the fiscal deficit to the GNP was estimated at 4 percent, which is lower than in 1990 when it was 5.9 percent. This demonstrates the government's effort to maintain a sound financial system. The deficit was mostly financed with resources from abroad in the form of new credits and donations.

Preschool children have been targeted by programs funded with foreign resources, but emphasis has also been placed on the promotion of social development of the communities to make them economically self-sufficient. It is important to stress that all the programs conducted by the National Board of Social Welfare are carried out and developed in coordination with public and private institutions dealing with their implementation. There are currently 66 rural EMMAS [expansion unknown] in two departments in the western part of the country; three EMMAS in the Central District Municipality; four in Chamelecon; 22 in Gracias a Dios; and 10 in Intibuca.

Your Honors Mr. President, Messrs. Deputies, the work of my government in 1991 is of the utmost importance for Honduras' history. I fully explain my government's actions in the attached report I am hereby submitting to the (?Finance and Public Credit) Secretariat. This report gives a more critical view of these actions that are geared towards showing the changes our country needs.

Regarding the fiscal accounts of 1991, we can see a significant improvement in tributary income, as we are expecting an increase of 710.6 million lempiras. This increase can mainly be explained by the successful results of the full application of the tributary reform structures detailed in Decree 18-90 of the Law for the Structural Ordering of the Economy. Thus, in order of importance, the increases in tax collections were: 208.9 million lempiras in income tax, 125.9 million lempiras in sales tax, 172.8 million lempiras in import tax, and 83.8 million lempiras in export tax. The full implementation of the System for the Retention of Income Tax at its Source also contributed to the increase in the tributary income.

In 1992 already, the Finance and Public Credit Secretariat signed various agreements for loans and donations on the order of $396.1 million with governments of friendly nations and international institutions. These resources were used to finance various economic and social development projects to help stimulate short-, mid-, and long-term economic growth.

It is important to note that in the context of the 1991 negotiations with the Paris Club, Honduras renegotiated bilateral debts up to $292.5 million by signing bilateral agreements with the following countries: Denmark, France, the Netherlands, Switzerland, the United Kingdom, Spain, and the United States.

Regarding the renegotiation of the foreign debt, the government was also successful at having $447.1 million of the debt forgiven. Of these $447.1 million, $433.6 corresponds to Honduras' debt with the U.S. Government, and $13.5 million corresponds to debts with the governments of the Netherlands and Switzerland. We have incurred long-term debts of $396.1 million but have been able to have $447.1 of our debt forgiven. This means the foreign debt has been reduced.

Public Works

It is important to note the significant achievements in this sector in 1991.

Investments during this period

DESCRIPTION	TOTAL
National Funds	79,929,800.00
External Funds	162,691,000.00
Total	242,620,800.00

Various Works

Speaking of the work that has been done, it is especially important to mention the Honduran Social Investment Fund [Fondo Hondureno de Inversion Social—FHIS] for the work it did in 1991 to benefit those people who are alienated from society. Among the mission's quantitative achievements in 1991 we will mention the 2,382 projects that were approved in nine areas of action for a total of 192 million lempiras. These projects correspond to the areas of education, salubrity, irrigation and drainage, roads and streets, community facilities, support for the informal sector of the economy, and health. The FHIS has extended its efforts to 290 municipalities; in 70 percent of these municipalities it has had at least six projects approved. The FHIS works in at least 1,000 villages and hamlets, some of which had never before experienced what it was like to be able to count on the government's positive and concrete presence.

Lastly, one positive element we would like to emphasize is the fact that we were able to do our work with the constant support and help from the municipal mayors, as it is an effort that is also directed at strengthening civil society and thereby Honduran democracy as well. This means we have strengthened the municipal structures. From a technical point of view, this has been our greatest achievement.

We would like to add some final words to say that approximately 500,000 Hondurans have directly benefited from the FHIS, and we have employed 52,000 persons who were previously unemployed. These people and their relatives are living examples of the efforts to develop Honduras and ensure that it is made to measure for human beings, which is the government's basic goal.

I must make special mention of financing for the agricultural sector. The economic impact of Banadesa [National Agricultural Development Bank] in 1991 is reflected by the 130,000 manzanas that yielded 9.5 million quintals of farm produce that in turn generated about 6.2 million in wages. It is also important to point out that this year BANADESA's banking services handled about 116.5 million Lempiras because of the people's trust in this institution.

Social Welfare

The National Social Welfare Board has expanded its field of action and established several programs, including the Maternal Enterprises Program (EMMA), in response to concerns voiced by First Lady Norma Regina Callejas.

In addition, each ministry will submit to the sovereign National Congress a report on the great transformations the country is experiencing.

Messrs. deputies, in my first report to this legislative chamber I defined the four years of my administration. I am deeply grateful for the cooperation I have received from this state branch in issuing all the legislation needed to turn 1992 into the year of social compensation.

The year 1992 will be a year of economic growth. I hope the legislative and judicial branches will be ready, as they have been so far, to help us adopt the measures to bring about the economic growth Honduras needs.

The year 1992 is also an electoral year, and I urge before this political forum of the fatherland that a consensus be reached to ensure that the Electoral Law and other norms that regulate our political process will promote a truly participative and honest democracy that will maximize the benefits for the community. This is not a difficult task. We must realize that our compatriots of the National Party, Liberal Party, Christian Democratic Party, Innovation and Unity Party, and other emerging political groups are essentially Hondurans. Why is it that these Hondurans cannot give each other a fraternal embrace? I see no reason for a negative answer. As a Honduran, I consider myself a friend of all the honorable deputies, regardless of political persuasion. I am convinced I have no enemies among my compatriots, because they know that as president of the Republic I truly respect others, their ideas, convictions, struggles, and all other characteristics that are part of true human nature.

Our responsible behavior guarantees there will be no interference with the Hondurans' will during their 1993 political process. Their will, expressed through the elections, must be respected.

This is so because the free will of the people is the will of the state, the nation's conscience, and the authentic source of power that we have as the people's representatives.

Take my word: There will be no interference in electoral processes in Honduras as long as I am the chief executive.

Nicaragua

Rebel Commander Ruiz Meets With U.S. Officials

PA2801191292 Managua BARRICADA in Spanish 27 Jan 92 pp 1, 5

[Article by Juan Jose Lacayo]

[Text] FSLN [Sandinist National Liberation Front] Commander Henry Ruiz met with Bernard Aronson,

assistant secretary of state for inter-American affairs, in Washington. One of the main topics of their conversation was the need to bridge relations between the FSLN and the U.S. Administration.

The meeting of the FSLN leader and the assistant secretary of state was held at Aronson's office and lasted almost an hour.

Saul Arana, an FSLN International Relations Department official, called us by telephone on 26 January to give us this information. Arana is accompanying Ruiz on his visit to the United States.

The meeting was also attended by McCoulhon, assistant director for Central American affairs; Ambassador-designate James Sullivan's deputy; and Mark G. Davidson, who is in charge of Nicaraguan affairs.

The officials maintained a constructive, open, and direct dialogue, and they made a general assessment of the situation in Nicaragua and the Central American region.

They agreed that the economic situation was critical and that all efforts had to be geared to the increase of production and the creation of jobs. It was noted that the country required stability and the implementation of social policies to be able to attain these goals.

The officials established that it was very important for the country to have peace. Commander Ruiz stated that the war between the rearmed groups, known as recontras and recompas, is useless, senseless, and had to be resolved as soon as possible.

The FSLN commander mentioned the possibility of implementing a weapon-purchasing program to ensure the effectiveness of the disarmament process.

At the international level, the officials attending the meeting pointed out that Nicaragua is not obtaining the necessary foreign capital and financing due to the complicated domestic situation in the United States and the changes in the world, which are diverting financial attention to other countries.

It was established that a relationship between the FSLN and the U.S. Government must be based on equality, mutual respect, and never on subordination or preconditions.

During the meeting, the officials agreed that Nicaragua's goals should not be for one party to replace another at each election or for the party in opposition to attempt to destroy the actions of the party in government. The officials fully agreed that the goal should be to look after the nation's interests.

It was admitted that although the current government's economic program had achieved certain goals, such as the stabilization of the monetary situation, it had negative results, too, such as unemployment. The negative results of the economic program resulted in lack of stability in the country, the officials noted.

They also agreed that Nicaragua cannot be seen separately from the regional context.

The officials admitted that a constructive attitude was needed and that the FSLN could not be blamed for all the problems in Nicaragua. In short, they agreed that the Nicaraguan situation had to be studied with a wider perspective and without blaming each other for adverse events.

Arana added that the conversation had been held in a climate of respect and cordiality.

Commander Ruiz also met with the U.S. ambassador to the OAS and they talked about similar matters, but with less formality.

The Sandinist leader also visited Jim Michael, the AID director for Latin America, whose office handles programs in Nicaragua.

On 27 January, Commander Ruiz is scheduled to meet top U.S. media officials: editors, political scientists, sociologists, and renowned journalists.

On 27 January, Ruiz will give a lecture to a select audience of U.S. academicians and intellectuals at Georgetown University.

Recompa Chief, 4 Policemen Killed in Attack

PA2901044792 Managua Radio Catolica in Spanish 1100 GMT 28 Jan 92

[Text] [Announcer] Here on the telephone is Novis Rosales, our correspondent in Matagalpa. Go ahead, Novis.

[Rosales] The recompa chief known as Camacho was killed on 27 January. A report from the Wiwili Municipality said the recompas attacked the police in that area. A recompa group, headed by retired officer Oscar Antonio Palacios, alias Camacho, stormed the Wiwili police precinct, killing four policemen. The names of the slain policemen are: Braulio Mendez from Jinotega; Roger Pinel from Sebaco; Marco Sanchez from Wawali, Matagalpa Department; and Domingo Arauz from Wiwili.

According to the police report, Camacho and all his men attacked the police at approximately 2300 using heavy weapons. Also killed in the crossfire was recompa Palacio, who was a former sublieutenant of the Sandinist People's Army [EPS]. He had kidnapped Pantasma Mayor Reinaldo Chavarria, and on 20 December he had taken over that municipality.

According to Wiwili residents, Camacho came into the town in the afternoon. Some of his men, who were drunk, said they were going to kill all the policemen that day. On that same day, 27 January, a large police contingent was dispatched to reinforce the police and

EPS soldiers in Wiwili. Following orders from their superiors, they are there to fight the recompas.

[Announcer] The developments in Northern Nicaragua are very worrisome. Although progrers toward peace continues to be made through agreements reached between groups as dissimilar as the recontras and recompas, there are still violent, bloody, and disturbing incidents. Such killings imperil the peace process. Novis Rosales interviewed Commander Salvatierra, member of the EPS command in that region. Listening to this officer is very important, and here is the interview.

[Begin recording] [Salvatierra] The policemen are there to protect Pantasma. We are trying to see how we can find the individuals who killed our fellow policemen. It is hard to accept that now that we are engaged in negotiations with different groups, there are some individuals who reject negotiations and perpetrate murders. The murders are like the other murders in Matiguas and Waslala.

[Novis] You saw a large number of demobilized fighters in El Dorado on 25 January. One could see that a large number of former policemen and EPS soldiers, who had been discharged, are now disbanding. How do you view this situation?

[Salvatierra] Most of the recontras who disbanded had belonged to the Nicaraguan Resistance, although some may have belonged to the support groups and not to the fighting groups. Most of the disarming recompas are former EPS officers or soldiers; there are former policemen, but there are fewer of them. The police force was not restructured, but some policemen were discharged for a misdemeanor or offense, or perhaps they chose to leave. [end recording]

FSLN Communique Condemns Killings by Recontras

PA2901044692 Managua Radio Ya in Spanish 1100 GMT 28 Jan 92

[Communique issued by the Secretariat of the Sandinist National Liberation Front, FSLN, National Directorate in Managua on 27 January]

[Text] The recontra's cowardly and unjustifiable murders of Waslala Hospital Director Jesus Martin Villareal and Sandinist Councilman Daniel Estrada of Matiguas Municipality constitute an example of the spirit of vindictiveness that must not be tolerated. These two murders represent a slap in the face and a challenge to the successful disarmament and pacification efforts that recompas and other recontras are making together with the government in different parts of the country. We must not let crime derail the progress of the pacification effort.

The Sandinist National Liberation Front [FSLN] has not stopped trying to reach a true solution to the rebels' problem and the violence in rural areas, so the dream of peace may at last become a reality for everyone. For that reason, and because it is a fundamental demand of justice and we must close our doors to hatred and criminal vindictiveness to truly reach peace and reconciliation, the FSLN states:

1. We demand punishment for those responsible for the murders as a necessary condition to demonstrate the government's willingness and power to put an end to impunity and guarantee all citizens their individual safety and civil rights.

2. We urge the recompas not to be provoked by these murders and to remain constructive within the pacification process.

3. We demand that the government be fully responsible in creating a security commission for all those who have abided by and will continue to abide by the disarmament process.

4. We convey expressions of condolences from the National Directorate to the relatives and friends of our murdered comrades.

[Signed] National Directorate Secretariat
[Issued] Managua, 27 January 1992

Attorney General Announces Restructuring Plan

PA2901015392 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 28 Jan 92

[Report by Maria Elsa Suarez]

[Text] The Attorney General's Office has begun an administrative restructuring phase to consolidate its duties. For that reason, the Human Rights Criminal Prosecuting Office [Procuraduria Penal de los Derechos Humanos] will be established. The newly appointed Attorney General Guillermo Vargas Sandino explained the goal is to give the Attorney General's Office a new image.

[Begin Vargas recording] This office will perform special tasks as the representative of the state in criminal, civil, administrative, and constitutional matters. This mission has been completely eclipsed by its confiscatory tasks, which is in fact merely an added element that does not correspond with the true function of the Attorney General's Office. [end recording]

The new structure includes the creation of an internal auditing office, which did not exist before, and the Human Rights Prosecuting Office.

[Begin Vargas recording] That office will be tasked to follow up on the agreements signed by Nicaragua on the protection of human rights. [end recording]

The Attorney General's Office settles civil, criminal, and labor cases, and will settle the ownership disputes now handled by the Office for Territorial Organization. Vargas did not rule out that the Attorney General's Office will in the future be incorporated into the Justice Ministry. He talked about the difficult situation his office is experiencing because it has a budget of only 6.250 million

cordobas. Its scant resources will make it impossible to create more municipal attorney general's offices and to hire specialized personnel. The office was also forced to cut working hours because of a lack of funds, and that is why it is trying to get a bigger allocation. Vargas added that the functions of the National Revision Commission are on hold, as he is waiting for the presidential decree to reassign its functions.

Commentary Warns Against Military Domination

PA2801174792 Managua LA PRENSA in Spanish 25 Jan 92 p 10

[Article by Luis Sanchez Sancho, Nicaraguan Socialist Party leader: "Military Caudillos"]

[Text] Based on reports on U.S. Secretary of State James Baker's visit to Nicaragua, he came to reiterate U.S. support for the government of President Violeta de Chamorro. He also came to remind us that to build a real democracy, it is necessary to professionalize the police corps and make them independent from the corruptive hegemony and partisan political influence.

Apparently, Baker made that observation in the most friendly and respectful way possible. He touched on one of the most sensitive areas of the national political situation.

The professionalization and depolitization of the police forces and the Armed Forces is an old and firm demand of the democratic sectors of Nicaraguan society.

That demand was mentioned as a necessary and essential condition to restore democracy in Nicargua long before the Sandinist regime suffered an electoral defeat in February 1990.

In fact, the demand for constitutional amendments presented by 14 democratic political parties at the national dialogue in November 1987 clearly established that the Armed Forces should be a professional institution, without any political affiliation, and that its members could not hold any civilian position or lead any political party. In addition, those demands called for the reorganization of the Armed Forces in accordance with the country's economic possibilities and social needs, and the separation of the National Police from the National Army.

The demands for constitutional amendments on the subject of the Armed Forces was included as an important subject in UNO's [National Opposition Union] platform, which the majority of Nicaraguans voted for in the 25 February 1990 elections. Therefore, UNO and the government elected by the majority of the people are obliged to comply with those commitments, which at the same time are a necessary requirement for a state of law and a real democracy.

Obviously, the Army has been gradually advancing in an effort to transform itself into an institution free of ideological domination and partisan politics. The current bitter dispute between the Army's top commanders and some reactionary leaders and militants of the Sandinist party due to the decoration of the U.S. military attache by General Humberto Ortega can be interpreted as evidence that, despite everything, the Army is detaching itself from the party's totalitarian hegemony.

In reality, the Army's subordination to the party's interests is not what most worries Nicaraguan democratic forces and governments following the evolution of our political process. The main concern now regarding the military institution is the personalized and tyrannical domination that General Humberto Ortega seems to exert over the EPS [Sandinist People's Army]. Military tyranny is as dangerous, pernicious, and totalitarian as the Army's subordination to the mandates and interests of a party.

Hence, having the Army and the police break the ill-fated links of dependence to the Sandinist party is not enough. The professionalization and independence of the Armed Forces must also be understood. No one in the military high command should become attached to power and subject it to his personal ambitions.

The abuse of civilian political power is dangerous, but the abuse of military power is catastrophic, as Nicaragua's own sad history has shown. Nicaragua and the world would be better places without armies.

To advance on the democratic path, however, the immediate elimination of the Armed Forces is not necessary. The Nicaraguan people's democratic hopes would be encouraged by the establishment of definite time periods for high commanders to remain in their posts, by rotating them, and by regulating their transfers and retirement.

We must point out that it is not necessary to amend the Constitution to achieve the democratization of the Armed Forces. It would be enough to modify the police law and the EPS organizational law. In that manner, we would be complying with an electoral commitment acquired by the majority voting for the UNO's government platform. More importantly, we would be laying the foundation for a real and modern democracy.

Panama

Cruz Action Against Noriega Lawyers Viewed

PA2801165292 Panama City Radio KW Continente in Spanish 1218 GMT 28 Jan 92

[Report by Jenny Lee Martinez]

[Text] Attorney General Rogelio Cruz has stated that the U.S. lawyers interrogating former Panamanian soldiers might be penalized. Lawyer Sydney Sitton has said that the Attorney General should take criminal action against these lawyers.

The suit filed by several litigant lawyers, dealing with the illegal practice of the lawyers acting as counsels for the defense of General Manuel Antonio Noriega during his trial in Miami, was received by Cruz. He sent Prosecutor Cecilia Lopez de Martinz to the Modelo prison to observe the procedures used by the U.S. lawyers.

[Begin Cruz recording] As you know, several Panamanian lawyers have reported that Noriega's lawyers are practicing the profession in Panama illegally and without any authorization. Certain depositions should have been heard at the Modelo prison in accordance to an authorization given to Magistrate Ortega by the Supreme Court of Justice. Consequently, I sent Prosecutor Martinz to the prison to determine whether or not foreign lawyers were practicing in Panama. I know that certain testimonies were heard on 28 January. In due time, the prosecutor will deliver her report, which will be necessary to file a fiscal report regarding the criminal suit filed by the Panamanian lawyers. [end recording]

Cruz said that, although ex-Major Cleto Hernandez has been interrogated, this testimony could not be annulled.

[Begin Cruz recording] There are two clearly separate things, which bear no relation to each other. For instance, let us suppose these lawyers are practicing the profession illegally. Any lawyer practicing the profession illegally should be penalized because he has not been properly authorized, as the Criminal Code stipulates. If evidence is gathered illegally, the evidence will stand as valid as long as it is not impugned as illegal. So there are two clearly different things. I think some people, out of ignorance, have confused the two concepts. Some people have even said I sent the prosecutor to impede the gathering of the evidence. This is not true. No one can impede this, particularly because the Attorney General himself believes the court did just what the law stipulates. [end recording]

Cruz also said that any evidence gathered or statement made in Panama or anywhere in the world can be used as evidence in favor of or against any person. Sitton, one of the litigant lawyers who filed the suit against the U.S. lawyers, asserted that what these lawyers did at the Modelo prison is illegal.

[Begin Sitton recording] Because the prosecutor has confirmed that the offense has been committed, meaning the illegal practice of the lawyer's profession, it is now fitting to initiate legal proceedings against Noriega's lawyers and take one of the cautionary measures provided for by our judicial statutes. In our suit, we requested that Noriega's lawyers be prevented from leaving Panamanian territory because they practiced their profession illegally in Panama and are guilty of illegal association for crime. For this reason, we regard Cruz' remarks as accurate because he has said he will not allow foreign lawyers to practice the profession in Panama. The Attorney General should initiate criminal proceedings against these lawyers because they already committed the offense by interrogating ex-Maj. Hernandez. [end recording]

Former Soldiers Conspiring Against Government

PA2801151692 Panama City EL SIGLO in Spanish 27 Jan 92 p 18

[Article by Aneldo Arosemena]

[Text] According to documents at the Police Information and Investigation Directorate (DIIP), a group of former soldiers, under the leadership of former Major Carlos Saldana, alias "Superman," and others, are carrying out plans to conspire against the government.

In the document, one of the former soldiers, known as "Peluito," described his contacts with "Superman" and meetings held between former members of the Public Force [FP] and former soldiers of the Panama Defense Forces [FDP] to make plans against the government.

In light of this, it could be said that an organization exists formed by FP members and the National Police. Its leader is Saldana and the group has conducted and planned actions against the government of President Guillermo Endara.

One of the sources told the investigators that Sublieutenant Adriano Ferrer, the son of a Union of Public Transportation Drivers leader, had participated in the meetings. He said that only NCO's attended the meetings as the higher-ranking officers had "fled" during the 20 December 1989 U.S. invasion and were not trustworthy. A NCO by the name of Serracin, who works in the Ancon precinct along with Ferrer, was mentioned as a member of the group, as well as Sub Lts. Rios and Roberto Correa, who have both been discharged.

The report dated September 1991, indicates that Camilo Candanedo Aguilar, or Camilo Aguilar, alias "Peluito," a former National Police sergeant, who last worked on Coiba Penal Island, met with Maj. Saldana in La Chorrera District, at the home of a witch doctor.

"Peluito" stated that plans to conduct attacks all across the country, with the help of former members of the Dignity Battalions, the Committees for the Defense of the Fatherland and Dignity, and current members of the FP, were disclosed at the meetings. When asked about the possibility that U.S. troops might get involved, Saldana responded by saying that "they are grouped around the figure of their leader, a former soldier who is now in custody."

Aguilar remembered hearing about a plan to occupy the Assistant Attorney General's Office because there are many confiscated weapons there. Many people were present at the meeting. There were doctors, politicians, public officials, professionals, former FDP members, current FP members, and others.

It was said at the meeting that there was a shipment of weapons in Chiriqui Province that had been moved because someone had reported it to the Attorney General's Office. They also met at the home of Rodrigo Ernesto Perez Arrieta in La Chorrera, where former Lt. Rodriguez, alias "Teson" was present.

They stated that the weapons used during the attack against Ubaldino Romero were supplied by a man called Chino Vargas, who works at the Solicitor General's Office Ernesto Perez, Jorge Aquileo Sanjur, and Evaristo Vasquez Serracin also participated in the attack.

The source said that on 1 August 1991, Saldana tried to encourage him to join the group and offered him the command in the Cocle area. They said they were going to take the Supermarket (the Presidency of the Republic).

According to the source, they were waiting for some rockets to attack "the Supermarket," the Presidency; and capture "The Three Musketeers" (President Endara, Vice Presidents Arias Calderon, and Ford).

He said they were ready to pursue two objectives: one main objective and a secondary one. The robbery at the Nata branch of the National Bank was not carried out because he had seen two policemen patrolling and he did not want to face his former comrades. It was then that they decided to attack Ubaldino Romero, who had just sold a farm for $500,000 and had the money in his house because he did not trust banks.

"When they arrived at Romero's home, the source told him: We are not criminals. We know you have a half million dollars and we need it for our cause. I am doing this against my free will. The source asked Romero to send his wife and children into the bedroom. Romero told them that he no longer had that amount as he had bought some animals on 7 September. He said he only had $5,000 and that if he had the money he would have given it to them, because he also wanted this government to change." The source added that he "wants to apologize to Mr. Romero."

The source stated that it is easy to take the Cocle area, because the agents know of Saldana's plans and are willing to cooperate.

The informant pointed out that he was aware that Saldana had sent a message and $30 with a man called Cholo to Mrs. Evaristo Vargas Serracin asking her to visit him in the public jail house in Veraguas. Saldana's messenger recommended attorney Agrazal as council. Agrazal is the son of retired Sub Lt. Oscar Agrazal, who is implicated in the Father Gallegos murder case.

Official Says No Evidence of Bomb at EPASA

PA2801155092 Panama City Radio KW Continente in Spanish 1209 GMT 28 Jan 92

[Report by Alexandra Ciniglio]

[Text] While the fire department and the Technical Judicial Police [PTJ] refuse to make any official statements, Assistant Attorney General Rogelio Arosemena says there is no evidence that a bomb caused the explosion at the Panama America newspaper facilities [EPASA]. He added that the witnesses probably misinterpreted what they saw and that they were carried away by the general fear caused by the many bomb threats received.

The alleged terrorist attack that destroyed part of the EPASA facilities is still a mystery. Arosemena said there is still no official report. Nevertheless, he said this unofficially.

[Begin Arosemena recording] There is no evidence that the fire in the EPASA facilities was caused by the explosion of a bomb. The PTJ has said that, according to witnesses, no explosion was heard. This leads us to believe that there never was an explosive device and that the damage was caused by something else. I am no expert, but the fire might have had other causes. The fire department's security office, more familiar with this, might give you more information. [end recording]

The fire department, however, flatly refused to make any statement. When asked about the witnesses who allegedly saw the vehicle from which the explosive device was thrown, Arosemena said this.

[Begin Arosemena recording] I have been saying that the people are full of fear because of the bomb threats against governmental offices and businesses. I do not mean the security guards did not see anything, only that they misinterpreted what they saw. [end recording]

In an effort to gather more information, this station's reporters went to the PTJ. After two hours of waiting, PTJ Director Jaime Abad never appeared. Deputy Director Carlos Landero, who was at his office, sent the reporters a copy of Article 29 of the Criminal Investigations Department, which deals with the secrecy of investigations. We do not intend to hamper the investigations. We demand a reply from the authorities, however, because we know that incidents such as this one are forgotten after a few days, as it happened with the attack on Radio KW Continente last year, for which there was never a satisfactory reply.

Panamenist Party Issues 'Resolution' on EPASA

PA2901003792 Panama City EL PANAMA AMERICA in Spanish 28 Jan 92 p 2

["Resolution" issued by the Arnulfist Party in Panama City on 26 January]

[Text] Whereas on the evening of 25 January, the Panama American Publishing House (EPASA), which publishes the newspapers CRITICA LIBRE and EL PANAMA AMERICA, was the target of a terrorist attack;

Whereas EPASA is owned by the Arias Guardia family, heirs of Dr. Harmodio Arias Madrid, which has always distinguished itself in the defense of democracy, freedom of expression, and the common good.

Whereas, the Arias Guardia family was arbitrarily dispossessed by the past military dictatorship of their legitimate ownership to EPASA and recognition of this right by the current Supreme Court of Justice serves as an example that under the new democratic system the country is headed along the path of respect for citizens' rights, peace, and progress;

Whereas, the Arnulfist Party and the Panamenist doctrine has among its postulates the strengthening of the democratic system and respect for the freedom of expression and private property;

The Arnulfist Party Resolves to:

One: Reject and condemn the cowardly terrorist attack against EPASA, as well as recent terrorist attacks in other parts of the country.

Two: Reiterate our commitment to defend the democratic system won by the Panamanian people after 21 long years of struggle against the fateful military dictatorship.

Three: Show our support for the process of democratic consolidation that the national government under the leadership of President Guillermo Endara Galimany is bent on achieving.

Issued in Panama City on 26 January 1992
Arnulfist Party, Alfredo Arias Grimaldo, acting president.

Argentina

Menem Comments on Falklands Issue, Corruption

PY2801114292 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1859 GMT 27 Jan 92

[Text] Buenos Aires, 27 Jan (NA)—President Carlos Menem today stressed that Argentina will not give up its attempts to recover the Malvinas Islands through diplomatic channels. He also confirmed that he will pay an official visit next year to Great Britain. Menem also maintained that Minister Domingo Cavallo's talks with foreign creditors in New York are placing Argentina "at the doorstep" of the Brady Plan.

The chief of state spoke with journalists at the airport before and after visiting Martin Garcia Island. He flew there to log some flying hours and to visit a school that is being built with private funds for poor children. During his chats with the press, Menem indicated that the fight against corruption "must be carried out by every Argentine," adding that pensioners "will collect" the debt that the state has with them.

Menem cordially spoke to members of the press at the metropolitan airport when he departed for Martin Garcia and when he returned 90 minutes later in the company of Presidential Spokesman Humberto Toledo and two other officials.

Menem said that he "partially" agrees with Prosecutor Luis Moreno Ocampo who said that justice "alone" cannot eliminate corruption. "It is a scourge that must be fought by all Argentines," Menem said, recalling in detail what his government has done in this respect.

He said: "We have progressed, and Moreno Ocampo is partly right. The control organizations of the state must act in this matter, as occurs throughout the world." He insisted that there "is a remote" possibility of federally intervening Corrientes Province if a local solution is not found for the present institutional problem.

Investigation Ordered in Corruption Cases

PY2801211292 Buenos Aires BUENOS AIRES HERALD in English 28 Jan 92 p 11

[Text] (DYN-NA)—A communique released by Prosecutor General Aldo Montesano Rebon confirmed yesterday that the government has ordered the investigation of the assets of government officials currently indicted on corruption charges.

The communique reads that prosecutors should "without delay start investigations to find out if they (the officials), in their own name or using front men, have made money illegally."

Montesano Rebon had already announced that all the government officials indicted would "without exceptions" have their assets investigated. The prosecutor stressed that the decision was made "a few days ago" by the government.

"We have ordered that in all cases in which a public official is indicted and there's money involved that an investigation should take place to find out how the money was made," Montesano Rebon said.

"This is the final decision" made by the government and will be "carried out thoroughly," the prosecutor added.

In addition, Montesano Rebon stressed that the investigation would include all the officials indicted "without exceptions," including former SOMISA [Argentine Iron and Steel Joint Association] trustee Jorge Triaca, currently indicted on malfeasance and embezzlement charges.

Montesano Rebon added that Air Force Chief-of-Staff Brigadier Jose Julia should be indicted in the current investigation for the allegedly fraudulent purchase of spare-parts for aircraft. "We will also investigate how he made money," the prosecutor concluded.

Menem, Leaders View Constitutional Reform

PY2801211092 Buenos Aires BUENOS AIRES HERALD in English 28 Jan 92 p 11

[Text] (NA-DYN)—The upcoming "political dialogue" and the possible constitutional reform were at the centre of a series of statements made by President Carlos Menem yesterday before he piloted his own aircraft to the island of Martin Garcia.

"If in the future I consider positive a meeting between the president and the opposition, there'll be no problem," said Menem, who last Friday [24 January] had asserted that "without dialogue democracy dies."

Menem also said that the review of the country's Constitution was "necessary. I don't know when it's going to be done, but without a doubt it is necessary."

Menem's assertions came on the same day that presidential Chief-of-Staff Eduardo Bauza started talks with the heads of the Lower House blocs to reach an agreement on the possible topics to be included during Congress' special round of sessions.

The government's agenda includes bills on social welfare funds reform, federal education laws, the payment of bonus salaries in twelve monthly quotas and the reform of the Central Bank, among others.

Interior Minister Jose Luis Manzano meanwhile had a new round of talks with representatives of a number of provincial parties that will take part in the political dialogue set to start—according to the minister—next month.

Interior Ministry sources reported Manzano met with the governors of Salta, Roberto Ulloa; Chaco, Rolando Tauguinas; and Tierra del Fuego, Jose Estabillo, all provincial party members.

Manzano also reported that the Neuquen Popular Movement had appointed Senator Jorge Solanas as its representative for the upcoming talks. In addition the minister announced that he will meet the head of the Radical Party National Committee, Mario Losada, on Friday to reach an agreement on the possible agenda for the dialogue.

Meanwhile both Buenos Aires Governor Eduardo Duhalde and Senator Eduardo Menem also made comments on constitutional reform.

While Duhalde said that "The Radicals will not want a reform as long as Justicialism's policies continue to be successful," Senator Menem stressed that Argentina's governmental system should be analyzed during the talks between politicians to discuss the revision.

Duhalde, in an interview published by Buenos Aires daily EL CRONISTA COMERCIAL, said that people should be told that with the reform "what we're risking is not only the continuity of just one man," Menem, "but the strengthening of a project of change."

Duhalde said he believes that although "the dialogue is praiseworthy, I do don't get things wrong because by talking to the Radicals we will not get the reform."

The governor added that to achieve the constitutional review that would include presidential reelection, the Menem administration should start to negotiate with its allied parties.

Senator Menem on his part said in an interview published by the Buenos Aires newspaper LA NACION that "I think we could include the role of a 'coordinating minister' in the reform." However, he admitted that the head of state did not agree with the idea.

Finally, Lower House Radical block leader Fernando De la Rua declared yesterday his opposition to the reelection of President Carlos Menem adding that there should not be constitutional reform for personal purposes. De la Rua added that urgent social problems must take priority over constitutional reform. Similarly, Federico Storani, leader of Corriente de Opinion Nacional (a Radical faction), stated his opposition to Menem's reelection and warned against a concentration of power between the president and the Supreme Court.

Consumer Prices, Inflation Statistics Reported

PY0901172092

[Editorial Report] Following are reports on economic activities in Argentina. Source information is given in parentheses after each item.

NA and DYN report that the consumer price index rose 0.6 percent in December, according to the National Institute of Statistics and Census, INDEC, statistics office. Inflation in 1991 was 83.9 percent and 21.2 percent since the Convertibility Plan began on 1 April. The largest price increases in December were: entertainment, 4.2 percent; housing, 2.0 percent; and health care, 1.2 percent. Food and beverages and clothing dropped 0.1 percent, according to INDEC. (Buenos Aires BUENOS AIRES HERALD in English 4 Jan 92 p 1)

DYN reports that building costs rose 0.7 percent in December and rose 72.5 percent for all of 1991, according to INDEC. Building materials rose by 0.4 percent last month and labor costs rose 1.4 percent. (Buenos Aires BUENOS AIRES HERALD in English 8 Jan 91 p 5)

Brazil

Cuba's Vilma Espin Visits, Discusses Shortages

PY2701150492 Rio de Janeiro O GLOBO in Portuguese 25 Jan 92 Women's Section p 7

[Report by Hildegarde Angel]

[Excerpts] I went to Niteroi through the Rio de Janeiro-Niteroi bridge on Saint Sebastian's day. In Niteroi, however, there was no religious holiday. In fact, the city was living with the thrill of a lunch that Niteroi first lady Cristina Ramalho Silveira hosted for Cuban first lady Vilma Espin. [passage omitted]

I talked with Vilma Espin at lunch. She talked about her work at the head of the Cuban Women's Federation. She is also a member of the Politburo of the Communist Party of Cuba's Central Committee. She mentioned the problems being caused by food shortages and, especially, by the fuel shortage, noting that Cuba can counterbalance this situation with tourism. Cuba is trying to attract tourism investors to create mixed enterprises to exploit the island's graceful poetry. Cuba is trying to pull out of the situation through the sale of scientific know-how, laboratory testing techniques (Cuba has made significant progress in genetics research), and its vaccines. I talked with Vilma as soon as she arrived from Sao Paulo, even before she had time to walk around town. Her attentive and concerned bodyguard—a federal agent—conveyed to Antonio—my very talkative agent and driver—his concern about the possibility of counterrevolutionary terrorists attacking the illustrious Cubans who are sponsoring the Meeting of the Americas being held in Niteroi this month. The meeting is a seminar being held at the UFF [Federal Rio de Janeiro State University] theater. [passage omitted]

PCP Votes To Change Name, Party Manifesto

PY2801224292 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jan 92 Political Section p 5

[Report by Ana Claudia Cruz]

[Text] In an historic gesture, the almost 1,000 delegates attending the 10th Brazilian Communist Party (PCB) Extraordinary Congress, which closed yesterday in Sao Paulo, voted in favor of adopting a new party name and a new party manifesto. Although the 70-year history of the PCB will be preserved, the party's hammer and sickle symbols were not spared from the changes that were approved by the party congress. Last night, party delegates were still debating the choice of a new party name. The two choices being debated were People's Socialist Party (PPS) [Partido Popular Socialista] and Democratic Party of the Left (PDE) [Partido Democratico de Esquerda]. According to Federal Deputy Roberto Freire (PE) [Pernambuco State], who will continue as president of the party, the new party will be "socialist, pluralist, humanist, libertarian, and radically democratic."

Dissatisfied with the proposals to renew the PCB, almost 30 percent of the congressional delegates decided on 25 January—the first day of the PCB Congress—to abandon the party congress and hold a parallel congress to establish a new party, the Communist Party (PC). The party dissidents do not accept breaking with the ideology of the old PCB. They want to preserve the theories upheld by orthodox Marxism, such as the dictatorship of the proletariat, the single party regime, and the approval of revolutionary means to gain access to power. The dissident's party manifesto and program were published in the DIARIO OFICIAL DA UNIAO [Official Newspaper of the Union] on 9 January. The schism has been expected for months.

According to Horacio Macedo, one of the coordinators of the new PC, there is a basic political difference between the two groups. Macedo believes the proposal of the renewed group headed by Freire strips the old party of its identity and transforms it into a party that is very similar to other parties, such as the PSDB [Brazilian Social Democracy Party] or the PSB [Brazilian Socialist Party]. Freire regretted the dissidents' departure but stated that this is not a loss. He said: "Those who left are the ones who uphold antagonistic views that make any coexistence within the party impossible."

Some dissidents who were only opposed to changing the party symbols and the party name decided not to leave the party and rejoined the congress yesterday. Freire believes that the dissidents' plans to consolidate the PC will fail. He said: "It will be a contradiction at a time when traditional socialism has disappeared all over the world." Freire added that the PCB is finished, but that the renewed party will be a continuation of the party. He added: "We are the heirs of traditional socialism, but changes have been taking place for a long time." Luiz Carlos Acedo, a member of the now defunct PCB national executive board, has stated that the objective is to build a more heterogeneous, modern, and pluralist party, and this is why it cannot have an official doctrine.

The changes approved by the party congress will become official when they are approved by the party national board convention scheduled to be held in Brasilia in May. The party statutes, the acronym, and the new party symbols will be registered only after this meeting. Although Freire's followers have already done away with the hammer and sickle symbols, the new party symbol has not yet been chosen. It will be designed by publicists in the party. They will try to project an image representing the changes in the PCB. Jose Genoino, PT [Workers Party] bloc leader in the Chamber of Deputies, who attended the PCB Congress as a guest, said: "Today the left is facing the challenge of establishing new ties and values. To be a member of the left has ceased to mean preaching old dogmas."

Condemns Execution in Cuba

PY2901114892 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jan 92 Political Section p 5

[Report by A.C.C.]

[Text] Before deciding to change the party's name, PCB [Brazilian Communist Party] delegates approved, during the course of their congress, a passage condemning the maintenance of the death penalty in Cuba. Last week Fidel Castro sent exile Eduardo Diaz Betancourt to the "wall," and this provoked the protest by PCB activists. "The condemnation was included because we do not believe that the party should continue in that way," national party President Roberto Freire stressed. He also recalled that the PCB's platform condemns the death penalty. "I personally condemn that type of practice," he concluded. The economic blockade the United States has imposed on Cuba was also condemned.

Economy Minister Meets With Tokyo Bank Chairman

PY2801194192 Rio de Janeiro O GLOBO in Portuguese 24 Jan 92 p 25

[Text] Brasilia—Bank of Tokyo Director-Chairman Tasuku Takagari has suggested that Economy Minister Marcilio Marques Moreira allow foreign banks more access to the Brazilian market. Marques Moreira met Takagari yesterday afternoon. Central Bank Chairman Francisco Gros was also present at the meeting.

The economy minister briefed Takagari on the Brazilian economy and its prospects. He also informed the chairman of the Bank of Tokyo—a member of the creditor banks steering committee—that there are legal measures restricting the participation in Brazil of new foreign banks.

Marques Moreira and Takagari also discussed the foreign debt negotiations that will resume on 3 February in New York with Foreign Debt Special Negotiator Pedro Malan. The negotiations with the creditor banks steering committee should progress more after the achievement of an agreement with the IMF on 5 February.

Central Bank Chairman Francisco Gros has said that the Japanese mission's visit to Brazil is another effort to reestablish bilateral financial ties. Gros added that a

mission of Japanese businessmen interested in studying possible investments in the country is scheduled to arrive in Brazil in April.

Government 'Anxious' About IMF Doubts

PY2901014692 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Jan 92 Economy Section p 3

[Report by Beatriz Abreu]

[Text] Brasilia—In the last days before signing an agreement with the IMF, the government has become anxious and is no longer so certain that the agreement will be approved without difficulties.

An important adviser admitted yesterday: "Some IMF directors have expressed doubts about the success of the economic program." IMF representative to Brazil, Alexandre Kafka, called Economy Minister Marcilio Marques Moreira on 24 January to report that the Brazilian program had again been criticized.

Minister Marques Moreira immediately mobilized the economic team and hurriedly coordinated a 26 January meeting with the ambassadors of the most industrialized countries that comprise the Group of Seven [G-7] (the United States, the UK, France, Germany, Italy, Canada, and Japan).

On the afternoon of 24 January, the economy minister called David Mulford, U.S. under secretary of the Treasury, to obtain more information. The minister thus wanted to bide his time and avoid the risk of submitting an agreement to the IMF executive board on 29 January in an atmosphere full of doubt.

The objective of the meeting with the G-7 ambassadors (except the French ambassador, who was absent) was to overcome skepticism about the promises of a fiscal adjustment and a successful fight against inflation. In addition to that, the economy minister hinted: Not approving the Brazilian agreement is more risky than approving it. One of the officials who attended the meeting said a new round of negotiations may begin, unless the government succeeds in achieving all the goals.

Minister Marques Moreira told the ambassadors that the Brazilian economic situation could deteriorate if the agreement is not approved. He also commented on the measures that the government has adopted in the last two years to deregulate the economy and recover the confidence of the international financial community. According to the adviser, without the agreement with the IMF, negotiations with the international creditors will be paralyzed. This would make it impossible for Minister Marques Moreira to go to Europe the day after the program is approved to seek an agreement on the debt with the Paris Club, as he has decided to do.

The atmosphere among Brazilians is tense. Until the afternoon of 29 January, the yellow light will be on at the office of the minister, who is in permanent contact with Kafka in Washington. Last week, when the debt negotiators returned from the United States, Minister Marques Moreira breathed with relief because during meetings with the IMF director and Under Secretary Mulford, Central Bank President Francisco Gros and Planning Secretary Pedro Parente were able to reverse the board's intention to postpone the appraisal of the Brazilian program indefinitely.

This tranquillity was interrupted by the National Accounting Office report with figures that again contradicted those released by the government on the deficit that the National Institute of Social Security would have if it were to pay the 147 percent increase to retirees and pensioners.

Social Security President Rossi Leaves Post

PY2801195592 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jan 92 p 1

[Excerpts] Leaving his post as National Institute of Social Security [INSS] president, Arnaldo Rossi will suggest that the government order the closure of the state-owned enterprise Dataprev, which is in charge of the INSS data-processing system. [passage omitted]

The dismissal of INSS Attorney General Jose Domingos Teixeira Neto will help the investigations into the frauds against the INSS. According to Rio de Janeiro judges, Teixeira is one of those responsible for the delay in the investigations into the improper indemnifications, which amount to $330 million in Rio de Janeiro alone.

Chile

Peru's Blacker Explains Reasons for Visit

PY2901023892 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 28 Jan 92

[Interview with Peruvian Foreign Minister Augusto Blacker Miller by Bernardo de la Maza; place not given—live]

[Excerpts] The Chilean and Peruvian Governments are going to try to fulfill the unsettled points of the 1929 treaty designed to settle the results of the Pacific War. With this purpose, among others, Peruvian Foreign Minister Augusto Blacker Miller arrived in Chile shortly after 1500 today. The Peruvian minister was received by the Chilean foreign under secretary and protocol director, among others. [passage omitted]

We are now going to establish a direct link with the Peruvian foreign minister who, as we already know, arrived in Chile this afternoon:

[Bernardo de la Maza] Good evening, minister.

[Blacker] Good evening.

[De la Maza] Why try to link President Alberto Fujimori's possible visit to Chile to definite fulfillment of the

terms of the 1929 treaty—if some clauses are still unfulfilled, not precisely due to Chilean mistakes or noncompliance?

[Blacker] Before anything else, I would like to say that I am very happy to be in Chile and would like, through you, to affectionately greet the Chilean people.

With regard to your question, I would like to tell you that we are not linking President Fujimori's visit to Chile with fulfillment of the pending points of the 1929 treaty, but we do believe it would be extremely useful and important if this process could be concluded before his visit.

[De La Maza] I thank you for your explanation, Minister, because there was a bit of confusion. Now then, this would be the first state visit by a Peruvian president in the history of our two countries. What significance do you attribute to this event?

[Blacker] It is similar to the visit President Fujimori paid to Quito, Ecuador, a few weeks ago. This is a new foreign policy that Peru is implementing in its relations with its neighboring countries, as well as with the rest of the world. We believe this policy—which is being implemented by President Fujimori and which seeks integration, peace, and cooperation between countries—is a policy that is in keeping, not only with Peruvian objectives, but also with the way the world is developing and preparing to enter the 21st century.

[De la Maza] Minister, in sum, what is the main reason for your visit to Chile?

[Blacker] Basically, to fulfill the pending issues of the 1929 treaty and its complementary treaty. This is the main reason for my visit. In addition, Peru obviously desires a stronger relationship with Chile. It wishes to work together with Chile to draw up new formulas that will allow us to increase our development opportunities and, thus, improve our peoples' living standards. In this regard, we have brought some suggestions that will be analyzed by the Chilean Foreign Ministry and other Chilean Government levels so they can be signed when President Fujimori comes.

[De la Maza] Could you tell us when the need for visas for tourists from both countries will be eliminated?

[Blacker] I believe it will be soon, as soon as we sign the agreement. And, we hope to sign this agreement tomorrow.

[De la Maza] Thank you very much for your time.

[Blacker] Thank you.

Silva Views Bolivian Corridor's Affect on Arica

PY2801213192 Santiago Radio Chilena Network in Spanish 1600 GMT 28 Jan 92

[Text] Foreign Minister Enrique Silva Cimma has downplayed the eventual effect that the Peruvian-Bolivian agreement granting a free zone to Bolivia in Ilo may have on Chile.

[Begin recording] [Reporter Maria Angelica Rodriguez] Foreign Minister Enrique Silva Cimma has stated that the Peruvian Government's decision to grant a corridor to Bolivia in Ilo and the establishment of a free port in Tacna, Peru, will have no effect on the Arica region at all. He said that those who think otherwise are overreacting for no reason at all.

Silva Cimma made this statement today after meeting President Aylwin, with whom he assessed the work carried out in the foreign relations area and the goals for 1992. Silva Cimma noted that the sea outlet Peru granted Bolivia is one of the issues discussed in his meeting with the president, within the general framework of Chilean ties with Bolivia and Peru. But, he added, this issue was not discussed in great detail.

[Silva Cimma] [words indistinct] submitted to the president a Foreign Ministry report on this issue. This report concludes that Chile is not concerned about the issue, in view of the good ties that Chile maintains with Bolivia in the northern region and the current (?bilateral trade level).

[Rodriguez] Asked about the statement by the Bolivian president, who said that the Chileans have adopted a passive attitude regarding Bolivia's landlocked situation and that [the Peruvian decision] is making Chilean authorities restless, Foreign Minister Silva Cimma said: My sleep has not been disturbed a single day. [end recording]

Rojas: Armed Forces 'Cooperated With Democracy'

PY2801130892 Santiago Radio Chilena Network in Spanish 1000 GMT 28 Jan 92

[Excerpt] At the end of an assessment meeting with President Patricio Aylwin, Defense Minister Patricio Rojas praised the way the Armed Forces have adjusted and cooperated with democracy during the first 22 months of the Aylwin administration.

[Begin Reporter Maria Angelica Rodriguez recording] Defense Minister Patricio Rojas has expressed his satisfaction over the recent polls that show that the people are confident there will be no conflict between the administration and the Armed Forces in the near future.

Rojas said this very important factor reflects our social stability, particularly following a military regime like the one that has just ended. [passage omitted] [end recording] [passage omitted]

Colombia

Government-Guerrilla Talks Could Be Delayed

PA2801042492 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 28 Jan 92

[Text] It was learned 27 January that the transportation difficulties faced by guerrilla negotiators could delay the resumption of talks in Caracas. In addition, there is talk that Manuel Marulanda, commander of the Revolutionary Armed Forces of Colombia, also known as Tirofijo, and Manuel Perez, leader of the National Liberation Army [ELN], could sign a cease-fire agreement in Caracas.

The public order commission will be reorganized with Senate President Carlos Espinoza and a member of the Social Conservative Party as new members.

There will be news in Caracas, as determined by the new government and guerrilla negotiating teams. With the appointment of the new peace and reconciliation advisers, the government reiterated its willingness to find a political solution to the conflict with the guerrillas and has paid greater attention to the national rehabilitation plan. The peace process will take place outside the negotiating table in terms of concrete developments.

The new guerrilla team demonstrates the group's willingness to continue the search for political solutions. It also shows the guerrillas' commitment to making the talks more effective. The possibility that Manuel Perez himself will represent the ELN in Caracas means these meetings may be final.

Both teams will guarantee a new, more dynamic rhythm in the talks because both sides have been revitalized. The new teams also guarantee a new style. The concepts are the same, but the new negotiators will contribute with their own personal style.

All seems to indicate that the starting topic will be the verifiable cease-fire. That is what the government team wants and the most advisable thing for the Simon Bolivar National Guerrilla Coordinating Board, which has been worn out politically because of its military actions, which the public increasingly rejects.

New Commission To Review Territorial Issues

PA2701235092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 27 Jan 92

[Text] President Cesar Gaviria discussed the need to change the borders of some of the country's departments, to promote the creation of regional blocks as autonomous entities, and to change the system to elect deputies. The president has just installed a territorial reform commission and said it is necessary to create new regions and mark Indian territory. Here is Guillermo Gonzalez with more details on this important announcement.

[Gonzalez] President Gaviria spoke of the need to begin immediately reorganizing Colombian territory. According to the president, the new constitutional guidelines on this matter will finally become a reality. In installing the territorial reorganization commission, whose members include the government minister, the presidents of the Senate and the Chamber of Representatives, and several former members of the National Constituent Assembly, the president said it will begin as soon as possible to review limits, refine maps, and mark Indian territorial areas.

[Begin Gaviria recording] To what will all of this lead? How do we introduce an element of flexibility in reorganizing the territory without affecting the necessary and characteristic stability of geopolitical divisions? Does it make sense to refine maps in step with reality, or is it better to devise other ways to respond to the different changes? The commission we are now installing will thoroughly and carefully review these and other vitally important questions. [end recording]

The president said it will be up to the government and the Congress to meet the goal of giving regions all the autonomy necessary for their full development.

Police Chief Interviewed on Ocana Kidnappings

PA2801201992 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Jan 92

[Telephone interview with Colonel German Dario Moreno, Norte de Santander Department police chief in Ocana Municipality, by Ricardo Caceres in Cucuta and Dario Arizmendi in Bogota—live]

[Text] [Caceres] Colonel, what can you tell us about the violent acts in Ocana Municipality?

[Moreno] The situation is rather complex. Unfortunately, the situation throughout Norte de Santander is difficult at this time. Four guerrilla fronts are operating throughout the area, and this has undoubtedly had an effect on one of the most serious crimes—kidnapping. This situation has created fear in all citizens. A basic contributing factor is that citizens, when feeling fear, seldom report kidnappings to the authorities. In fact, there are many cases, such as Dr. Arevalo's, [not further identified] in which the family itself request that police not intervene in the negotiations.

[Caceres] Colonel, but it was also said that Argelino Duran Quintero was kidnapped by an EPL [Popular Liberation Army] group. What can you tell us about this case?

[Moreno] Recent kidnappings such as the case of (Dr. Chami) and Carlos Arevalo have been attributed exclusively to the Army of National Liberation [ELN]. Notice that the persons who kidnapped Dr. Duran initially told Dr. Ivan Cabrales that they were Simon Bolivar National Guerrilla Coordinating Board guerrillas. Afterward, when being freed, Dr. Cabrales was told that they were EPL. They are really ELN members, but they try and

confuse people so this does not interfere with their political pursuits. This is what they also try continually to do with these talks.

[Caceres] Dario Arizmendi in Bogota, do you have any questions for the colonel?

[Arizmendi] Are there any troop reinforcements in Ocana? We have had three kidnapping cases so far this year.

[Moreno] We have permanent Army reinforcements. There is a battalion in charge of the area. Not all is bad, however; we also have some cases that have turned out well—people who have been freed. Last week, for example, three persons, presumably guerrillas, kidnapped the owner of the Yamaha store and her daughter, who is a minor. Thanks to police assistance, all three kidnappers were killed.

[Arizmendi] Thank you very much Col. German Dario Moreno, police chief of the Norte de Santander Department, and Ricardo Caceres The kidnapping case involves former state Minister Argelino Duran, who is 71 years of age and suffers heart problems.

Simiti Mayor, PNR Official Reported Kidnapped

PA2801152592 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 Jan 92

[Text] The Simiti Municipality mayor in Bolivar Department and the National Rehabilitation Plan [PNR] coordinator for Simiti were kidnapped by Simon Bolivar National Guerrilla Coordinating Board guerrillas, who intercepted them on their way to a meeting in La Brisas neighborhood.

Police spokesmen reported that Mayor (Alfonso Oni Saavedra) was intercepted while visiting several villages in southern Bolivar Department with the outgoing PNR coordinator. The Army of National Liberation guerrillas told them that they needed to speak to the two officials about social problems and that they would be set free afterward.

The authorities deployed a huge search operation in Simiti Municipality to try and locate the guerrillas. So far, this has been unsuccessful. The mayor and the PNR coordinator were forced into the guerrillas' jeep.

Peru

Shining Path Reportedly Downs U.S. Helicopter

PY2801133092 Lima EXPRESO in Spanish 23 Jan 92 pp A10, A11

[Text] Shining Path members on 12 January killed the three U.S. crewmen who were overflying the coca producing area of the Alto Huallaga Valley in a helicopter. The helicopter was downed with a Soviet-made surface-to-air missile, according to reports by the clandestine EL DIARIO, the newspaper issued by Shining Path, and a report disseminated on 22 January in Lima by REUTERS.

The newspaper highlights the fact that "the surface-to-air missiles that downed a helicopter of Bush's troops demonstrates an advancement in the Popular Guerrilla Army...."

The helicopter crew, two pilots and a mechanic, were assisting another helicopter that had been forced to land a few hours earlier due to mechanical trouble, while on an antidrug operation in the area. That operation was being supported by U.S. personnel.

The U.S. Embassy declined to comment on the newspaper report, stating that the investigation into the accident continues. REUTERS states that an official source close to the investigation has said that one of the pilots had a bullet wound in the chest.

The dispatch adds that the Shining Path and MRTA [Tupac Amaru Revolutionary Movement] terrorist groups operate in the area and that they provide protection for the coca producers and drug traffickers according to some officials.

Some 20 DEA [Drug Enforcement Admnistration] agents are based at the Peruvian police post that the United States built in Santa Lucia, 550 km northeast of Lima. They train local antidrug police in the Alto Huallaga, where the production of the highest quality coca leaf is concentrated.

REUTERS quote Major Edwin Montero, commander of the Santa Lucia police unit, who said that Peruvian Army troops that carry out counterinsurgency operations have on several occasions shot at U.S. State Department helicopters. The dispatch states that "last November, a DEA agent was traveling in a helicopter that was fired at during an antidrug operation over Sion."

The REUTERS dispatch adds that U.S. officials say that Peru produces 60 percent of the world's coca, the raw material from which cocaine is produced, and they consider it to be crucial in the U.S. strategy against drugs in the Andean region.

Air Force to Receive PRC Y-12 Planes

PY2801144892 Lima EL COMERCIO in Spanish 17 Jan 92 p A 15

[Excerpt] Piura, 16 Jan—The Peruvian Air Force [FAP] will receive during February six Y-12 planes manufactured in the PRC. They will be added to the fleet that operates in the Peruvian jungle. This was reported by Air Force General Arnaldo Velarde Ramirez, the FAP commander in chief, after he visited the Air Wing-1 base in Piura and the Air Wing-5 base in Iquitos.

This is the first time the government has purchased planes from the PRC. The Y-12 is a twin-engined turboprop plane like the ones that have been operating for 19 years in the same region. They have a long operational

range, can land on short and unprepared strips, are high winged, can transport up to 18 passengers, can be used as ambulances, and can be used for rescue missions.

The military chief has said that the FAP will use these planes to fulfill one of the main goals of this government: to help the social and economic development of our population. The FAP also intends to implement intensive civic action in the region, which is geographically rugged because of the jungle.

The FAP will continue its fundamental role of providing transport to hundreds of populated areas that would take days and even weeks to reach by road or river and to cover routes that are not flown by other carriers. [passage omitted]

Armed Forces 'Intervention' at Universities Noted

PY2801155292 Lima EXPRESO in Spanish 22 Jan 92 p A 3

[Excerpt] In an unprecedented operation, the Armed Forces on 21 January mounted a synchronized action at universities where it is known that there has been intensive terrorist infiltration. Members of the Treasury Police [Policia Fiscal] and Army troops entered the universities, and it was later reported that the Comptroller's Office will also participate in the operation in order to carry out the appropriate investigation.

The official communique released by the Operational Command of the Internal Front of the Armed Forces does not give a detailed report on the results of the intervention, and the document merely outlines the objectives of the intervention. It is understood that at least 10 alleged subversives were arrested, and an abundant amount of subversive propaganda was seized.

The spectacular deployment of small tanks and heavily armed troops caused concern among students, but there were no incidents and no one was injured. Dislodgement of the students was peaceful. It seems there were more people in the dormitories than those with authorization, and many more rations were being prepared in the dining halls than are needed.

The universities involved are: San Marcos (the university campus and the San Fernando College of Medicine); Enrique Guzman y Valle (La Cantuta); National University of the Center (Huancayo); Technical University of Callao; and the Jose Faustino Sanchez Carrion University (Huacho).

The official communique indicates that the intervention was carried out to guarantee the correct use of the dining rooms and student residences that have been used as campaign and planning centers for terrorist activities. The document indicates that these actions have been carried out by infiltrated subversive groups, and the objective was to dislodge them from the universities.

The communique states that activists of the Shining Path had taken control of the dining halls and residences and were using them for the terrorist group. It then indicates that the Treasury Police took part in the operation and that the Comptroller's Office will participate later to investigate if the funds being used belong to the state. [passage omitted]

Court Orders Embargo on Former Ministers' Assets

PY2801200792 Lima EL COMERCIO in Spanish 18 Jan 92 p 8

[Excerpt] Roger Salas Gamboa, head of the special tribunal's board of inquiry, has ordered a $700 million embargo on the assets of five former APRA [America Popular Revolutionary Alliance] ministers because of their alleged responsibility in the irregular use of MUC [standardized exchange market] foreign exchange funds during their administrations.

Roger Salas also ordered an extension to 60 days of the summary proceedings stage, in order to confront the accused with their respective vice ministers. The five former APRA ministers in question are Oswaldo Moran Marquez, Efrain Orbegozo Rodriguez, Carlos Raffo Dazo, Roberto Angeles Lazo, and Cesar Vasquez Bazan

The drastic measure of embargoing their assets for up to $700 million is intended to cover the amount they obtained through the improper use of MUC dollars. [passage omitted]

MRTA Faction Forms New Guerrilla Group

PA2701222192 Madrid EFE in Spanish 1852 GMT 24 Jan 92

[Text] Lima, 24 Jan (EFE)—It was reported on 24 January that a new guerrilla group calling itself the People's Rebel Army [Ejercito Popular Rebelde], (EPR), has emerged in Peru. Its members are Tupac Amaru Revolutionary Movement (MRTA) dissidents.

According to the Lima newspaper EXPRESO, the EPR's founding was announced by its leader Cistero Garcia to a group of journalists who were led by the guerrillas to an undisclosed place in the San Martin Department jungle. According to the same source, Garcia said they decided to split from the MRTA because MRTA leaders Victor Polay and Nestor Serpa "have failed the organization's basic principles by resorting to indiscriminate violence against the population."

Garcia criticized that, during the last MRTA offensive against Juanjui and Soritor on 23 December 1991, the guerrillas committed "excesses against innocent people." Garcia accused Polay of leading the guerrillas from within "four comfortably furnished walls in Lima" and as being bent on collecting funds "to run as candidate in 1995," when the next Peruvian political elections will be held.

The new armed movement will apparently be regional because Garcia said that by splitting from the MRTA he "will seek for San Martin peace and development based on work and fairness toward the organized population."

He also announced that the EPR will issue a declaration in the next few days stating its position toward the government and the Peruvian political situation.

This is the second MRTA split since it took up arms in 1984. It is the more serious one because San Martin is considered the MRTA's main political and military base and dissident leader Garcia, a native of San Martin, appears to have considerable support.

The first split was in 1991, when a guerrilla group headed by "Comrade German" broke away from the MRTA after accusing Polay of being "authoritarian" and formed the Popular Guerrilla Forces (FGP). German was gunned down on a Lima street shortly after the break, but FGP activities continue in their area of operations, the mountain range north of Lima Department.

Uruguay

President Discusses Preparations for Mercosur

PY1701144692 Asuncion ABC COLOR in Spanish 17 Jan 92 p 8

[Report by special correspondents Nestor B. Escobar Franco and Pedro Mendez in Punta del Este; date not given]

[Excerpts] "Freedom of the press is fundamental for democracy," said Uruguayan President Luis Alberto Lacalle Herrera, who will today, 17 January, meet with his Paraguayan colleague Andres Rodriguez. [passage omitted]

Talking about Mercosur [Common Market of the South], Lacalle said: "A change among member countries, especially Uruguay and Paraguay because we are small countries, is necessary. Paraguay and Uruguay will receive a great qualitative boost for which we must prepare in order to open our borders to the free import of products from Brazil and Argentina. They will also open their borders, but the difference between them and us is so great that we will have to fully prepare ourselves, governments and businessmen alike."

"Uruguay has established a National Integration Commission, in which unions, businessmen, and the government are adopting measures to adapt the country for this undertaking, and I believe that a similar task is being carried out in Paraguay," he added.

"Uruguay and Paraguay can do very little within Mercosur right now and this is why Uruguay urgently needs to transform itself, and surely Paraguay must do the same to adapt the country to Mercosur conditions. It is like preparing for a marathon: One cannot prepare oneself in one day; one must have plenty of time," he said.

EC Loans To Help European Immigrants Settle

PY2501021492 Montevideo Radio Carve in Spanish 2300 GMT 24 Jan 92

[Excerpts] The Uruguayan Government is willing to receive East European immigrants and has requested financial aid from the EC to help in their settlement. Foreign Minister Hector Gros Espiell told this radio station that the help will consist of $20,000 per foreign citizen [as heard]. Gros said that the country would be receiving thousands of citizens from Lithuania, eastern Germany, Czechoslovakia, Poland, and Russia who are interested in occupying technical positions in agriculture and industry.

He added that Uruguay will participate in the selection of immigrants from the technical, sanitary, and cultural fields. Each will bring $20,000 to purchase land and equipment. He said that this will also result in an important flow of foreign currency into the country.

Asked about the issue, Gros said:

[Begin recording] [passage omitted] The EC would grant each family that settles in Uruguay a loan to allow them to purchase land, equipment, or simply necessities to settle in our Republic. This would mean for us the arrival in Uruguay of thousands of highly qualified people. [passage omitted] [end recording]

PIT-CNT To Confront Government on Salaries

PY2701191992 Madrid EFE in Spanish 1642 GMT 25 Jan 92

[Report by Alberto Pepe Leira]

[Text] Montevideo, 25 Jan (EFE)—Uruguay's main labor group will radically confront President Luis Alberto Lacalle's government, accusing it of being "arrogant" and "insensitive," following the decision to deregulate salaries and to withdraw from the employee-employer salary negotiations.

This was announced by the Interunion Workers Plenum-National Convention of Workers (PIT-CNT) that called on its members today to maintain and to increase mobilizations.

In an unusually harsh declaration, the PIT-CNT, dominated by the left, urged the workers "not to bow to the authoritarian insensitivity of the government."

This reaction occurs one week after a 24-hour general strike and following the government decision not to participate in future salary negotiations.

The PIT-CNT seems to have overcome a period of crisis following the failure of the socialist system in Eastern Europe and a division within the Uruguayan Communist Party that traditionally controlled the country's labor movement.

The government has tried to benefit from the calm within the union movement, seeking to further loosen up the economy and to adapt it to the Common Market of the South (Mercosur) that includes Argentina, Brazil, and Paraguay and will become operational 1 January 1994.

"The people's hunger has no political hue," said a labor leader, saying that workers are now mobilizing more spontaneously following a drop over the past year in the ability of the PIT-CNT to mobilize the workers.

The PIT-CNT has organized six strikes since Lacalle assumed the Presidency in March 1990. It criticizes the government's "lack of dialogue."

Deputy Labor Minister Ricardo Reilly confirmed today that the Salary Councils will not meet during 1992. These councils seek to promote discussion between government, businessmen, and workers' representatives.

The government ordered an increase of 15 percent in the minimum salary that now stands at 230,000 pesos (some $89) per month.

A typical family of four needs a minimum of 2,500,000 pesos (some $962) per month to subsist in Uruguay according to a private poll published today in Montevideo.

Reilly said that fewer work hours were lost due to strikes during 1991 when the government withdrew from private salary negotiations.

This fact convinces the government that free negotiations favor dialogue between the sectors and helps to prevent conflicts.

The opposition said that free salary negotiations favor those workers that have the muscle to apply pressure but harm the majority of workers who only receive salary increases through official intervention.

The PIT-CNT warned of "the situation that would affect society if the unprecedented crisis that the government seeks to provoke were unleashed."

Increases of up to 5 percent on the tax burden have further reduced the purchasing power of the workers' salaries and have increased unemployment to 9 percent.

According to official information, inflation in 1991 amounted to 81.45 percent, although during that same period the cost of education increased by 117.97 percent. The cost of clothing and shoes rose by 94.17 percent, housing 90.16 percent, and furniture and appliances by 86.32 percent during the same period.

This figure is lower, however, than the 129 percent recorded in 1990 when most workers received salary increases every four months in accordance with the percentage of inflation.

Venezuela

Finance Ministry Issues Communique on Budget

PA2901012092 Caracas Venezolana de Television Network in Spanish 0000 GMT 28 Jan 92

[Finance Ministry communique read by Finance Minister Pedro Rosas Bravo; place and date not given—recorded]

[Text] In response to the current oil situation, the national government has adopted measures to adjust the 1992 budget. Toward this end, we have restructured the budget based on an estimated $16 per barrel of oil, down from the initial estimate of $19, and an export volume of 2 million barrels daily, which had originally been estimated at 1.950 million barrels in the budget draft and finally in the budget law.

The immediate goal of this adjustment is to balance the government's expense and income accounts based on the new oil income estimates. Present in this restructuring is a long-range goal to create favorable conditions for significantly reducing the expected rise in inflation, thereby reaffirming the policy guidelines that served as a foundation for the creation of the original budget draft in mid-1991. We restructured the budget in response to the need to reevaluate our income and cut back on expenses, all without affecting the normal performance of public administration and social programs such as education and public services. Contemplated in this process of adjustments and expense cutbacks are reductions of the budget earmarked for personnel on contracts; the purchase of materials and services; and transfers to autonomous institutions and other decentralized institutions that must, in turn, intensify their respective expense reduction processes.

Another aspect considered in the restructuring of the budget is the importance attributed to the management and coordination of policy, thereby increasing efficiency and harmony between the fiscal, monetary, and exchange policies. Toward this end, we are synchronizing our fiscal income and Venezuelan Petroleum, Inc.'s [PDVSA] expenses to avoid exchange and monetary interventions that could create undesirable alterations in the behavior of interest and exchange rates. To achieve this, we will carry out a program of treasury payments that will be synchronized with PDVSA's financial operations.

Concerning the restructuring of income, we have considered a national control plan to help raise tax collections by reducing the large and medium-sized tax payers' debt to the Treasury. On this issue, we have already begun to see positive results, proof of which are the totals collected during the last two months of 1991 when, following the first phase of the control plan, the taxes collected in the metropolitan area of Caracas surpassed the initial estimates by 2 billion bolivares. These results

prove it is possible to substantially raise tax collections by this means and by extending the control plan throughout the country.

Another immediate action to improve tax collection is the reorganization and modernization of the Finance Ministry, particularly the directorates of private income and customs, to increase their efficiency and capabilities. This implies reducing to a minimum administrative spending decisions (discrecionalidad) of every kind. The goal is to achieve a Finance Ministry that is efficient, honest, and respectful of taxpayers' rights.

We will execute medium-term actions, with a view to strengthening and broadening the country's tax base and progressively reducing our dependence on a sole source of income, something that undermines the flexibility and stability of the national budget. One of these medium-term actions is to negotiate an agreement to approve the selective sales tax and the tax on luxury items. These taxes are a basic requirement for strengthening public finances, reducing inflation to levels that will render it competitive with the rest of the world, and financing programs to improve and broaden public services, such as health, education, and security. In short, we are attempting to establish new tax plans to improve the fiscal spending financing profile and to render the current tax system less regressive.

As can be deduced from what has been explained here, we will not manipulate the exchange rate to compensate for the reduction of our income or to generate budgetary resources. Nor have we anticipated financing public spending with the inflationary taxes that would be generated by an artificial devaluation of the bolivar. The exchange policy will continue to be aimed at promoting nontraditional exports and efficiently substituting imports, thereby avoiding the overvaluation of our currency.

On the issue of expenses, the restructuring of its components responds to the healthy principles that state operational expenses should be financed with ordinary income and that public investments should be financed with resources from public credit, especially those facilitated by bilateral mechanisms and multilateral organizations, and also with capital income such as that generated by privatization.

By using privatization resources to finance public investments, we will be substituting the best terms—a group of state-owned assets, in which the state's presence is not essential—for other real assets in the area of investments, our basic production support infrastructure and public services, whose coverage—we admit—should be broadened and become more efficient.

To reduce the net amortization on the public debt, we have considered partially refinancing the amortization payments under the heading of restructuring the domestic and foreign debts. Toward this end, management of the country's public credit will be conducted in close coordination with PDVSA, which in 1992 will have a considerable presence on the international financial market by virtue of the strategy agreed upon at the shareholders assembly: to finance the investment program with foreign credits and in association with private capital.

To further reduce the pressure exerted by the debt on the national budget, we will reduce the transference of funds to public institutions for the payment of interests. We will also significantly reduce the imbalance in the payment of the domestic debt, both the principal and the interest, to improve the country's credit rating and to create conditions for more active participation in the stock market.

The second part of the policy pertains to the restructuring of the 1992 income and expense budget. Regarding this, I must inform you of the following: the reduction resulting from the reevaluation of our fiscal income from oil, based on an export volume of 2 million barrels daily at a price of $16 per barrel, will be 59.865 billion bolivares. To cover this reduction, we will implement the following measures:

1. Through income: partial use of the Treasury's unpledged reserves resulting from the reductions made in 1991, which totalled 6.754 billion bolivares. Through expenses: the automatic reduction of 17.618 billion bolivares in legal expenses associated with our levels of ordinary income, including constitutional investments and contributions to the Venezuelan Investment Fund, the housing policy law, corrections, and the Social Services Fund.

2. The reduction of 15.422 billion bolivares from the funds assigned to the central administration, ministries, and decentralized institutions; the reduction of 20.071 billion bolivares from the foreign debt service payments resulting from decreased interest rates on the international financial markets. In addition to the problem posed by the reduction of our oil income, we must have funds to cover state operational expenses that are not contemplated in the 1992 budget.

In keeping with the above-mentioned criteria, to the effect that common expenses should be financed with ordinary income, the mechanisms to cover state operational expenses that are not included in the 1992 budget include: the transfer of funds for projects that are unfinished totalling 45.418 billion bolivares, which were taken from the ordinary income and will be used to pay collective contracts; salary increases for national public administration personnel; and investment funds for the maintenance of urban aqueducts under the guidance and direction of regional hydroelectric companies (hidros).

In response to the criterion that investments in infrastructure projects should be financed with public credits or capital funds, we will use 50.848 billion bolivares from our privatization resources to maintain those investments that will be transferred due to budgetary instability, as well as other strategic and basic infrastructure projects such as Macagua and the central aqueduct.

Another expense not contemplated in the 1992 budget is the payment of public debt amortizations totalling 32.047 billion bolivares. To meet these commitments, as I said earlier, we plan to immediately initiate a program to partially refinance the public debt that has not been restructured in order to extend the amortizement deadlines and the interest rate conditions on this debt.

Teachers' Strike Said 'Illegal,' 'Unjustifiable'

PA2801194592 Caracas Venezolana de Television Network in Spanish 1600 GMT 28 Jan 92

[Text] The Venezuelan teachers' unions declared a strike for an indefinite time, after an agreement on a salary raise slated for 1992 failed to be reached with the government. Education Minister Gustavo Roosen has urged the strikers to reconsider their decision. He said that the strike is caused by other than union interests and that it is juridically illegal, ethically unjustifiable, and socially unacceptable.

[Begin Roosen recording] The Education Ministry highlights the fact that the government offered a 20 percent pay raise effective 1 January 1992 and a single-payment bonus corresponding to 1991. This should have completed the final agreement. Similarly, and with complete responsibility, the Ministry has complied with every one of the clauses of the collective contract in force regarding the payment of premiums and other benefits contemplated in the contract. I wish to highlight the fact that the raises agreed upon between the Ministry of Education and the unions are ultimately granted by Venezuelan society. These raises are paid from the public budget, which must be restructured as a result of the present fluctuations in the oil prices. The Ministry's offer constitutes a considerable effort by the Executive and particularly by society itself, which aspires to improve significantly the quality of education in the country. [end recording]

Marine Demarcation Seen as Problem With Colombia

PA2701225992 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 26 Jan 92

[Report by Jesus Garzon]

[Text] Isabel Bacalao de Romer, who resigned from her post as adviser on international law to Venezuelan President Carlos Andres Perez, warned Colombia could try and force Venezuela into a tight spot to settle border issue differences. The official questioned the Venezuelan Government on its handling of marine and submarine water demarcation talks. Mrs. Bacalao de Romer said Venezuela is not serious in its negotiations with Colombia.

[Begin Bacalao de Romer recording] As provided for in the 1939 treaty, the conciliation commission was reactivated. The next logical step is for Colombia, probably very soon, to bring this topic before the conciliation commission. The arguments presented regarding the San Pedro Alejandrino Act can be dealt with through the conciliation commission and the International Court of Justice. [end recording]

President Perez announced simultaneously that the port his government will build in the Gulf of Venezuela will not only benefit his country but Colombia as well.

[Begin Perez recording] It will also undoubtedly serve so that Colombia can export products to other countries from both Santander Departments. [end recording]

The Venezuelan president insisted building the new port will not cause any interpretation problems on sovereign rights.